National Occupational Standards in Accounting

Final version approved November 2006

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Introduction to the Accounting Standards

This document sets out:

The National Occupational Standards in Accounting as at August 2006
Qualification frameworks for the National and Scottish Vocational Qualifications in Accounting at Levels 2, 3 and 4

Using the new standards

The style and layout of the standards has changed in several key ways:

The standards speak to the candidate or jobholder
The standards address the candidate or jobholder directly, rather than talking about an abstract third person. This gives the standards a feeling of immediacy and relevance and helps individuals to engage with the standards.

The standards use clearer language
The outcomes the individual is expected to achieve (the Performance Criteria) are expressed in active language, making them easier to understand.

The links between Performance Criteria and Range are clearer
The links between the outcomes to be achieved (the Performance Criteria) and the circumstances in which competence needs to be demonstrated (the Range) have been made clearer. This has been done by highlighting words in the Performance Criteria which are then elaborated upon in the Range.

The use of Information Technology is integral to the standards
To reflect current and emerging practice in the workplace, the use of Information Technology has been integrated wherever possible into the standards. In keeping with workplace requirements, candidates are still required to demonstrate their understanding of manual book-keeping methods as well as showing that they can use computerised methods. Unit 22 covers those generic aspects of using IT that would otherwise have to be repeated many times in individual units. It is expected that evidence of competence in Unit 22 can be provided by performance within other units in the Accounting standards.

The revised qualification framework

The frameworks of the Level 2 and Level 3 N/SVQs in Accounting have not changed. This reflects the findings of extensive consultation carried out as part of the standards review. All units at Levels 2 and 3 are still mandatory.

One change has been made to the Level 4 framework. Unit 16 has been removed from both the standards and the qualification framework. The content of Unit 16 has been distributed between the costing and management accounting units at Levels 3 and 4, where it connects more logically with existing content in those units. The impact of removing Unit 16 is that Level 4 N/SVQ candidates now need to take only two units from Group 3.

Key and Core skills signposting

Separate signposting documents have been prepared to accompany the Accounting standards. The signposting documents indicate where opportunities exist within the Accounting standards to provide evidence of competence not only in Accounting but also in the Key or Core skills.

Assessment Guidance/Evidence Requirements

Assessment Guidance and Evidence Requirements are no longer included in the standards. The development of these aspects of the standards is no longer the responsibility of the standards setting bodies, and will be undertaken by the Awarding Bodies.

Assessment Strategy

An Assessment Strategy has been developed by the Accounting NTO which sets out fundamental principles for the assessment of the Accounting NVQs/SVQs. The Assessment Strategy will guide the Awarding Bodies in the development of their Assessment Guidance.

Future-proofing

The requirements set out in these standards should be interpreted in terms of up-to-date legislation and terminology, including organisational names.

Accounting Qualification Framework

Accounting N/SVQ Level 2

All units are mandatory

Unit 1 Recording Income and Receipts	Element 1.1 Process documents relating to goods and services supplied
	Element 1.2 Process receipts
Unit 2 Making and Recording Payments	Element 2.1 Process documents relating to goods and services received
	Element 2.2 Process payments
Unit 3 Preparing Ledger Balances and an Initial Trial Balance	Element 3.1 Balance bank transactions
	Element 3.2 Prepare ledger balances and control accounts
	Element 3.3 Draft an initial trial balance
Unit 4 Supplying Information for Management Control	Element 4.1 Code and extract information
	Element 4.2 Provide comparisons on costs and income
Unit 21 Working with Computers	Element 21.1 Use computer systems and software
	Element 21.2 Maintain the security of data
Unit 22 Contribute to the Maintenance of a Healthy, Safe and Productive Working Environment*	Element 22.1 Monitor and maintain a safe, healthy and secure working environment
	Element 22.2 Monitor and maintain an effective and efficient working environment
Unit 23 Achieving Personal Effectiveness	Element 23.1 Plan and organise your own work
	Element 23.2 Maintain good working relationships
	Element 23.3 Improve your own performance

* This unit is a tailored version of the Council for Administration's Unit 302.

Accounting Qualification Framework

Accounting N/SVQ Level 3

All units are mandatory. Units 21 and 22 need not be repeated if they have been completed at Level 2.

Unit 5 Maintaining Financial Records and Preparing Accounts	Element 5.1 Maintaining records relating to capital acquisition and disposal
	Element 5.2 Collecting and collating information for the preparation of final accounts
	Element 5.3 Preparing the final accounts of sole traders and partnerships
Unit 6 Recording and Evaluating Costs and Revenues	Element 6.1 Record and analyse information relating to direct costs and revenues
	Element 6.2 Record and analyse information relating to the allocation, apportionment and absorption of overhead costs
	Element 6.3 Prepare and evaluate estimates of costs and revenues
Unit 7 Preparing Reports and Returns	Element 7.1 Prepare and present periodic performance reports
	Element 7.2 Prepare reports and returns for outside agencies
	Element 7.3 Prepare VAT returns
Unit 21 Working with Computers	Element 21.1 Use computer systems and software
	Element 21.2 Maintain the security of data
Unit 22 Contribute to the Maintenance of a Healthy, Safe and Productive Working Environment*	Element 22.1 Monitor and maintain a safe, healthy and secure working environment
	Element 22.2 Monitor and maintain an effective and efficient working environment

* This unit is a tailored version of the Council for Administration's Unit 302.

Accounting Qualification Framework

Accounting N/SVQ Level 4

Group 1 Core Units – All units are mandatory

Unit 8	**Contributing to the Management of Performance and the Enhancement of Value**	Element 8.1	Collect, analyse and disseminate information about costs
		Element 8.2	Monitor performance and make recommendations to enhance value
Unit 9	**Contributing to the Planning and Control of Resources**	Element 9.1	Prepare forecasts of income and expenditure
		Element 9.2	Prepare draft budget proposals
		Element 9.3	Monitor the performance of responsibility centres against budgets
Unit 10	**Managing Systems and People in the Accounting Environment**	Element 10.1	Manage people within the accounting environment
		Element 10.2	Identify opportunities for improving the effectiveness of an accounting system
Unit 22	**Contribute to the Maintenance of a Healthy, Safe and Productive Working Environment***	Element 22.1	Contribute to the maintenance of a healthy, safe and productive working environment
		Element 22.2	Monitor and maintain an effective and efficient working environment

* This unit is a tailored version of the Council for Administration's Unit 302.

Accounting Qualification Framework

Level 4, continued

Group 2 Optional Units – Choose **one** of the following **four** units

Unit 11 Drafting Financial Statements (Accounting Practice, Industry and Commerce)	Element 11.1 Draft limited company financial statements
	Element 11.2 Interpret limited company financial statements
Unit 12 Drafting Financial Statements (Central Government)	Element 12.1 Draft Central Government financial statements
	Element 12.2 Interpret Central Government financial statements
Unit 13 Drafting Financial Statements (Local Government)	Element 13.1 Draft Local Authority financial statements
	Element 13.2 Interpret financial statements of Local Authorities
Unit 14 Drafting Financial Statements (National Health Service)	Element 14.1 Draft NHS accounting statements and returns
	Element 14.2 Interpret NHS accounting statements and returns

Accounting Qualification Framework

Level 4, continued

Group 3 Optional Units – Choose **two** of the following **four** units

Unit 15 Operating a Cash Management and Credit Control System	Element 15.1 Monitor and control cash receipts and payments
	Element 15.2 Manage cash balances
	Element 15.3 Grant credit
	Element 15.4 Monitor and control the collection of debts
Unit 17 Implementing Auditing Procedures	Element 17.1 Contribute to the planning of an audit assignment
	Element 17.2 Contribute to the conduct of an audit assignment
	Element 17.3 Prepare related draft reports
Unit 18 Preparing Business Taxation Computations	Element 18.1 Prepare capital allowances computations
	Element 18.2 Compute assessable business income
	Element 18.3 Prepare capital gains computations
	Element 18.4 Prepare Corporation Tax computations
Unit 19 Preparing Personal Taxation Computations	Element 19.1 Calculate income from employment
	Element 19.2 Calculate property and investment income
	Element 19.3 Prepare Income Tax computations
	Element 19.4 Prepare Capital Gains Tax computations

Unit 1 Recording Income and Receipts

Unit Commentary

This unit relates to the role of invoicing and receiving payments. The first element involves you in manually preparing and coding invoices and credit notes for goods and services supplied, and entering the details in both a manual and computerised accounting system. The element also requires you to prepare statements of account manually, and as computerised output. It is expected that you will communicate with customers politely and effectively, in response to their queries or when chasing payments.

The second element is concerned with checking and recording receipts in a manual and computerised system. The element requires you to deal with receipts in a variety of different forms and, therefore, to complete paying-in documents where necessary. You are required to deal with unusual features relating to wrongly completed cheques, out-of-date cheques, debit or credit card limits exceeded and disagreement with supporting documentation. Where these features are outside of your own area of responsibility the element expects you to refer them to an appropriate person.

Elements contained within this unit are:

Element: 1.1 Process documents relating to goods and services supplied

Element: 1.2 Process receipts

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment
Income and receipt transactions, including associated documentation (Element 1.1)
Basic contract law regarding income and receipts; Sale of Goods Act (Elements 1.1 & 1.2)
Document retention policies for income and receipts (Elements 1.1 & 1.2)
General principles of VAT regarding income and receipts (Element 1.1)
Types of discounts available to customers (Element 1.1)
Cheques from customers, including crossings and endorsements (Element 1.2)
The use of banking documentation (Element 1.2)
Automated payments from customers (Element 1.2)
Credit limits (Elements 1.1 & 1.2)
Basic data protection law regarding customers (Element 1.2)

Accounting Methods
Double entry bookkeeping, including balancing accounts (Elements 1.1 & 1.2)
Accounting for receipts from credit customers and customers without credit accounts (Elements 1.1 & 1.2)
Methods of coding data (Element 1.1)
Operation of manual accounting systems (Elements 1.1 & 1.2)
Operation of computerised accounting systems, including output (Elements 1.1 & 1.2)
The use of the cash book and petty cash book as part of the double entry system or as books of prime entry (Elements 1.1 & 1.2)
Batch control (Elements 1.1 & 1.2)
Relationship between accounting system and the ledger (Elements 1.1 & 1.2)
Credit card procedures (Element 1.2)
Methods of handling and storing money, including the security aspects (Element 1.2)
Petty cash procedures: imprest and non imprest methods; analysis (Elements 1.1 & 1.2)

Unit 1 Recording Income and Receipts

Knowledge and Understanding, continued

The Organisation

Relevant understanding of the organisation's accounting systems and administrative systems and procedures (Elements 1.1 & 1.2)
The nature of the organisation's business transactions (Elements 1.1 & 1.2)
Organisational procedures for authorisation and coding of sales invoices (Element 1.1)
Organisational procedures for filing source documents (Elements 1.1 & 1.2)
House style for correspondence (Element 1.1)
Banking and personal security procedures (Element 1.2)

Unit 1 Recording Income and Receipts

Element 1.1 Process documents relating to goods and services supplied

Performance Criteria

In order to perform this element successfully you need to:

Accurately prepare **invoices and credit notes** in accordance with organisational requirements and check against **source documents**
Ensure invoices and credit notes are correctly authorised before being sent to customers
Ensure invoices and credit notes are correctly **coded**
Enter invoices and credit notes into **books of prime entry** according to organisational procedures
Enter invoices and credit notes in the appropriate **ledgers**
Produce **statements** of account for despatch to debtors
Communicate politely and effectively with customers regarding accounts, using the relevant information from the aged debtors analysis

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Range Statement

Performance in this element relates to the following contexts:

Invoices and credit notes:
Pricing
Price extensions
Discounts
VAT
•

Source documents:
Quotations
Purchase orders
Delivery notes
Sales orders

Coded:
Manual systems
Computerised systems

Books of prime entry:
Manual sales daybook
Manual sales returns daybook
Relevant computerised records

Ledgers:
Manual main ledger
Manual subsidiary ledger
Computerised ledgers

Statements:
Manual
Computerised

Communicate:
Respond to queries
Chase payments

Unit 1 Recording Income and Receipts

Element 1.2 Process receipts

Performance Criteria

In order to perform this element successfully you need to:

A. Check **receipts** against relevant supporting information
B. Enter receipts in appropriate **accounting records**
C. Prepare paying-in documents and reconcile to relevant records
D. Identify **unusual features** and either resolve or refer to the appropriate person

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Range Statement

Performance in this element relates to the following contexts:

Receipts:
Cash
Cheques
An automated payment

Accounting records:
Manual cash book
Manual main ledger and subsidiary ledger
Computerised records

Unusual features:
Wrongly completed cheques
Out-of-date cheques
Credit and debit card limits exceeded
Disagreement with supporting documentation

Unit 2 Making and Recording Payments

Unit Commentary

This unit relates to the organisation's expenditure. It includes dealing with documentation from suppliers and ordering and delivery documentation, preparing payments, recording expenditure in the appropriate records, and making payments relating to invoices, wages and salaries, and petty cash.

The first element is concerned with ensuring calculations and records of expenditure are correct and deducting available discounts. You are required to code and enter documents in a manual and computerised accounting system. You are also required to handle both verbal and written communications with suppliers in a polite and effective manner. However, you are not expected to deal with goods supplied under leasing or hire purchase contracts at this level.

The second element relates to preparing authorised payments, relating to creditors, payroll and petty cash. This involves you in selecting appropriate payment methods and ensuring that all payments are recorded and entered into the accounting records, both manual and computerised. This element also requires you to take responsibility for ensuring the security of relevant payment methods and to refer queries to the appropriate person.

Elements contained within this unit are:

Element: 2.1 Process documents relating to goods and services received

Element: 2.2 Process payments

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment
Payment transactions, including associated documentation (Element 2.1)
Basic contract law regarding payments; Sale of Goods Act (Elements 2.1 & 2.2)
Document retention policies for payments (Elements 2.1 & 2.2)
General principles of VAT regarding payments (Element 2.1)
Types of discounts available from suppliers (Element 2.1)
Payment cheques, including crossings and endorsements (Element 2.2)
Automated payments to suppliers (Elements 2.1 & 2.2)
Different ordering systems: Internet, verbal and written (Element 2.1)
Documentation for payments (Element 2.2)
Basic data protection law regarding suppliers (Element 2.2)

Unit 2 Making and Recording Payments

Knowledge and Understanding, continued

Accounting Methods

Double entry bookkeeping, including balancing accounts (Elements 2.1 & 2.2)
Accounting for payments to credit suppliers, and to suppliers where a credit account is not available (Elements 2.1 & 2.2)
Capital and revenue expenditure (Elements 2.1 & 2.2)
Methods of coding data (Element 2.1)
Operation of manual accounting systems (Elements 2.1 & 2.2)
Operation of computerised accounting systems, including output (Elements 2.1 & 2.2)
The use of the cash book and petty cash book as part of the double entry system or as books of prime entry (Elements 2.1 & 2.2)
Batch control (Elements 2.1 & 2.2)
Relationship between accounting system and ledger (Elements 2.1 & 2.2)
Credit card procedures (Elements 2.1 & 2.2)
Petty cash procedures: imprest and non imprest methods; analysis (Element 2.2)
The processes and systems required to make and record internal and external payroll payments, excluding the use of tax and NI tables (Element 2.1)
Methods of handling and storing money from a security aspect (Element 2.2)

The Organisation

Relevant understanding of the organisation's accounting systems and administrative systems and procedures (Elements 2.1, 2.2 & 2.3)
The nature of the organisation's business transactions (Elements 2.1 & 2.2)
Organisational procedures for authorisation and coding of purchase invoices and payments (Elements 2.1 & 2.2)
House style for correspondence (Element 2.1)
Organisational procedures for filing source information (Elements 2.1 & 2.2)

Unit 2 Making and Recording Payments

Element 2.1 Process documents relating to goods and services received

Performance Criteria

In order to perform this element successfully you need to:

Check suppliers' invoices and credit notes against relevant **documents** for validity
Check **calculations** on suppliers' invoices and credit notes for accuracy
Identify and deduct available **discounts**
Correctly **code** invoices and credit notes
Correctly enter invoices and credit notes into **books of prime entry** according to organisational procedures
Enter invoices and credit notes in the appropriate **ledgers**
Identify **discrepancies** and either resolve or refer to the appropriate person if outside own authority
Communicate appropriately with suppliers regarding accounts

Range Statement

Performance in this element relates to the following contexts:

Documents:
Orders
Suppliers' invoices
Delivery notes
Credit notes

Calculations:
Pricing
Price extensions and VAT
Bulk, trade and settlement discounts

Code:
Manual systems
Computerised systems

Discounts:
Settlement

Books of prime entry:
Manual purchases day book
Manual purchases returns day book
Relevant computerised records

Ledgers:
Manual main ledger
Manual subsidiary ledger
Computerised ledgers

Discrepancies:
Incorrect calculations
Non-delivery of goods charged
Duplicated invoices
Incorrect discounts

Communicate:
Orally
In writing

Unit 2 Making and Recording Payments

Element 2.2 Process payments

Performance Criteria

In order to perform this element successfully you need to:

Calculate payments from relevant documentation
Schedule payments and obtain authorisation
Use the appropriate payment method and timescale, in accordance with organisational procedures
Enter payments into accounting records
Identify queries and resolve or refer to the appropriate person
Ensure security and confidentiality is maintained according to organisational requirements

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Range Statement

Performance in this element relates to the following contexts:

Payments:
Payroll
Creditors
Petty cash

Documentation:
Petty cash claims
Suppliers' statements
Payslips
Cheque requisitions

Payment method:
Cash
Cheques
An automated payment

Accounting records:
Manual cash book
Manual petty cash book
Manual main ledger
Manual subsidiary ledger
Computerised records

Queries relating to:
Unauthorised claims for payment
Insufficient supporting evidence
Claims exceeding authorised limit

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Unit Commentary

This unit relates to the internal checks involved in an organisation's accounting processes. The first element is primarily concerned with comparing individual items on the bank statement with entries in the cashbook and identifying any discrepancies. This involves recording details from the relevant primary documentation in the cashbook, manual and computerised, and calculating the totals and balances of receipts and payments. You are also required to identify any discrepancies, such as differences identified by the matching process.

The second element requires you to total the relevant accounts and to reconcile the control accounts, within a computerised and a manual accounting system. You are also required to resolve or refer any discrepancies and to ensure security and confidentiality. The third element involves drafting an initial trial balance manually and producing a trial balance from a computerised accounting system. You will be expected to identify and rectify discrepancies, which may occur in a manual accounting system, and create a suspense account where necessary.

Elements contained within this unit are:

Element: 3.1 Balance bank transactions

Element: 3.2 Prepare ledger balances and control accounts

Element: 3.3 Draft an initial trial balance

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment
Types of business transactions and the documents involved (Elements 3.1 & 3.2)
General principles of VAT applicable to the transactions (Element 3.1)
General bank services and operation of bank clearing system (Element 3.1)
Function and form of banking documentation (Element 3.1)

Accounting Methods
Double entry bookkeeping, including balancing accounts (Elements 3.1, 3.2 & 3.3)
Methods of coding (Elements 3.1, 3.2 & 3.3)
Capital and revenue expenditure (Element 3.1)
Operation of manual accounting systems (Elements 3.1, 3.2 & 3.3)
Operation of computerised accounting systems including output (Elements 3.1, 3.2 & 3.3)
The use of the cash book and petty cash book as part of the double entry system or as books of prime entry (Elements 3.1, 3.2 & 3.3)
Identification of different types of errors (Element 3.1)
Relationship between the accounting system and the ledger (Elements 3.1 & 3.2)
Petty cash procedures: imprest and non imprest methods: analysis (Element 3.2)
Methods of posting from primary records to ledger accounts (Element 3.2)
Inter-relationship of accounts - double entry system (Elements 3.2 & 3.3)
Use of journals (Elements 3.2 & 3.3)
Reconciling control accounts with memorandum accounts (Element 3.2)
Function and form of the trial balance (Element 3.3)

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Knowledge and Understanding, continued

The Organisation

Relevant understanding of the organisation's accounting systems and administrative systems and procedures (Elements 3.1, 3.2 & 3.3)

The nature of the organisation's business transactions (Elements 3.1, 3.2 & 3.3)

Organisational procedures for filing source information (Elements 3.1, 3.2 & 3.3)

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Element 3.1 Balance bank transactions

Performance Criteria

In order to perform this element successfully you need to:

Record details from the relevant **primary documentation** in the **cashbook and ledgers**
Correctly calculate totals and balances of receipts and payments
Compare individual items on the bank statement and in the **cashbook** for accuracy
Identify **discrepancies** and prepare a **bank reconciliation statement**

Range Statement

Performance in this element relates to the following contexts:

Primary documentation:
Credit transfer
Standing order and direct debit schedules
Bank statement

Cash book and ledgers:
Manual
Computerised

Discrepancies:
Differences identified by the matching process

Bank reconciliation statement:
Manual
Computerised

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Element 3.2 Prepare ledger balances and control accounts

Performance Criteria

In order to perform this element successfully you need to:

A. Make and **record** authorised **adjustments**
B. Total relevant accounts in the main ledger
C. Reconcile **control accounts** with the totals of the balance in the subsidiary ledger
D. Reconcile petty cash **control account** with cash in hand and subsidiary records
E. Identify **discrepancies** arising from the reconciliation of **control accounts** and either resolve or refer to the appropriate person
F. Ensure documentation is stored securely and in line with the organisation's confidentiality requirements

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Range Statement

Performance in this element relates to the following contexts:

Record:
Manual journal
Computerised journal

Adjustments:
To correct errors
To write off bad debts

Control accounts:
Sales ledger
Purchase ledger
Non-trade debtors
Manual
Computerised

Discrepancies:
Manual sales ledger and manual purchases ledger control account not agreeing with subsidiary ledger
Cash in hand not agreeing with subsidiary record and control account

Unit 3 Preparing Ledger Balances and an Initial Trial Balance

Element 3.3 Draft an initial trial balance

Performance Criteria

In order to perform this element successfully you need to:

Prepare the draft **initial trial balance** in line with the organisation's policies and procedures
Identify **discrepancies** in the balancing process
Identify reasons for imbalance and **rectify** them
Balance the trial balance

Range Statement

Performance in this element relates to the following contexts:

Trial balance:
Manual
Computerised

Discrepancies in a manual accounting system:
Incorrect double entries
Missing entries and wrong calculations

Rectify imbalances in a manual accounting system by:
Adjusting errors
Creating a suspense account

Unit 4 Supplying Information for Management Control

Unit Commentary

This unit is about recognising and providing basic management information. This involves information relating to both costs and income and includes the comparison of actual costs and income against the previous period's data, the corresponding period's data and forecast data.

The first element involves recognising cost centres. It should be noted that in some organisations profit centres or investment centres will be used in place of cost centres, and these will differ depending on the organisation. The element also involves recognising elements of costs, coding income and expenditure and identifying and reporting obvious errors, such as the wrong code or excessive volumes. You are required to extract information relating to the three elements of costs: materials, labour and expenses. The element, however, does not specifically relate to manufacturing as materials will include items such as consumables in service industries, and the majority of costs will probably be labour costs in those circumstances.

The second element is concerned with extracting information from a particular source, for example the previous period's data, and comparing that information with actual costs and income, in line with the organisational requirements. You are required to report discrepancies between the two in the appropriate format, ensuring confidentiality requirements are adhered to.

Elements contained within this unit are:

Element: 4.1 Code and extract information

Element: 4.2 Provide comparisons on costs and income

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment
Types of cost centres, including profit centres and investment centres (Element 4.1)
Costs, including wages, salaries, services and consumables (Element 4.1)

Accounting Methods
Identifying cost centres (Element 4.1)
The purpose of management information: decision making; planning and control (Element 4.1)
The make up of gross pay (Element 4.1)
The relationship between financial and management accounting (Element 4.1)
Methods of analysing information in spreadsheets (Element 4.2)
Methods of presenting information, including word-processed documents (Element 4.2)
Handling confidential information (Element 4.2)
The role of management information in the organisation (Element 4.2)
Awareness of the relationship between financial and management accounting (Element 4.2)

Unit 4 Supplying Information for Management Control

Knowledge and Understanding, continued

The Organisation

Relevant understanding of the organisation's accounting systems and administrative systems and procedures (Elements 4.1 & 4.2)
The nature of the organisation's business transactions (Elements 4.1 & 4.2)
The goods and services produced, bought and delivered by the organisation (Element 4.1)
The cost centres within the organisation (Element 4.1)
Organisational coding structures (Element 4.1)
The organisation's confidentiality requirements (Element 4.2)
House style for presentation of different types of documents, including word-processed documents (Element 4.2)

Unit 4 Supplying Information for Management Control

Element 4.1 Code and extract information

Performance Criteria

In order to perform this element successfully you need to:

A. Recognise appropriate cost centres and **elements of costs**
B. Extract income and expenditure details from the relevant **sources**
C. Code income and expenditure correctly
D. Refer any problems in obtaining the necessary **information** to the appropriate person
E. Identify and report **errors** to the appropriate person

Range Statement

Performance in this element relates to the following contexts:

Elements of costs:
Materials
Labour
Expenses

Sources:
Purchase orders
Purchase invoices
Sales orders
Sales invoices
Policy manual
Payroll

Information:
Cost
Income
Expenditure

Errors:
Wrong codes
Excessive volumes

Unit 4 Supplying Information for Management Control

Element 4.2 Provide comparisons on costs and income

Performance Criteria

In order to perform this element successfully you need to:

A. Clarify **information** requirements with the appropriate person
B. Compare **information** extracted from a particular **source** with actual results
C. Identify discrepancies
D. Provide comparisons to the appropriate person in the required **format**
E. Follow organisational **requirements for confidentiality** strictly

---

Range Statement

Performance in this element relates to the following contexts:

Information:
Costs
Income

Sources:
Previous period's data
Corresponding period's data
Forecast data
Ledgers

Format:
Letter
Memo
E-mail
Note
Word-processed report

Confidentiality requirements:
Sharing of information
Storage of documents

Unit 5 Maintaining Financial Records and Preparing Accounts

Unit Commentary

This unit relates to the maintenance of accounts from the drafting of the initial trial balance through to the preparation of information required to produce a set of final accounts.

The first element is concerned with the records for capital items, how to deal with acquisitions, on-going depreciation and the rules for disposal.

The second element requires you to collect relevant information for preparing the final accounts and to present the information to your supervisor in the form of a trial balance or an extended trial balance.

The third element requires you to prepare final accounts for sole traders and partnerships. You must also be responsible for communication in relation to the handling of queries, for making suggestions for improvements and maintaining confidentiality.

Elements contained within this unit are:

Element: 5.1 Maintaining records relating to capital acquisition and disposal

Element: 5.2 Collecting and collating information for the preparation of final accounts

Element: 5.3 Preparing the final accounts of sole traders and partnerships

---

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment:

The types and characteristics of different assets and key issues relating to the acquisition and disposal of capital assets (Element 5.1)
The relevant legislation and regulations (Elements 5.1, 5.2 and 5.3)
The main requirements of relevant Statements of Standard Accounting Practice and Financial Reporting Standards (Elements 5.1, 5.2 and 5.3)
Legal requirements relating to the division of profits between partners (Element 5.3)
The methods of recording information for the organisational accounts of sole traders and partnerships (Elements 5.2 & 5.3)
The structure of the organisational accounts of sole traders and partnerships (Elements 5.2 & 5.3)
The need to present accounts in the correct form (Elements 5.2 & 5.3)
The form of final accounts of sole traders and partnerships (Element 5.3)
The importance of maintaining the confidentiality of business transactions (Elements 5.1, 5.2 and 5.3)

Unit 5 Maintaining Financial Records and Preparing Accounts

Knowledge and Understanding, continued

Accounting Techniques:

Methods of depreciation and when to use each of them: straight line; reducing balance (Element 5.1)
The accounting treatment of capital items sold, scrapped or otherwise retired from service (Element5.1)
How to use plant registers and similar subsidiary records (Element 5.1)
How to use the transfer journal (Elements 5.1 and 5.2)
The methods of funding: part exchange deals (Element 5.1)
The accounting treatment of accruals and prepayments (Elements 5.2 & 5.3)
The methods of analysing income and expenditure (Element 5.2)
The method of closing off revenue accounts (Element 5.2)
The methods of restructuring accounts from incomplete evidence (Element 5.2 & 5.3)
How to identify and correct different types of error (Elements 5.2)
How to make and adjust provisions (Elements 5.2 and 5.3)
How to draft year final accounts of sole traders and partnerships (Element 5.2)

Accounting Principles and Theory:

Basic accounting concepts that play a role in the selection of accounting policies– accruals and going concern
The objectives and constraints in selecting accounting policies – relevance, reliability, comparability and ease of understanding, materiality (5.1, 5.2, & 5.3)
The principles of double entry accounting (Elements 5.1, 5.2 & 5.3)
The distinction between capital and revenue expenditure and what constitutes capital expenditure (Element 5.1)
The function and form of accounts for income and expenditure (Element 5.1, 5.2 & 5.3)
The function and form of a trial balance and an extended trial balance (Element 5.2)
The function and form of a profit and loss account and balance sheet for sole traders and partnerships (Elements 5.3)
The basic principles of stock valuation including those relating to cost or net realisable value and to what is included in cost (Elements 5.2 & 5.3)
The objectives of making provisions for depreciation and other purposes (Elements 5.1, 5.2 & 5.3)

The Organisation:

The ways the accounting systems of an organisation are affected by its organisational structure, its administrative systems and procedures and the nature of its business transactions (Elements 5.1, 5.2 & 5.3)

Unit 5 Maintaining Financial Records and Preparing Accounts

Element 5.1 Maintaining records relating to capital acquisition and disposal

Performance Criteria

In order to perform this element successfully you need to:

A. Record relevant details relating to capital expenditure in the appropriate records
B. Ensure that the organisation's **records** agree with the physical presence of capital items
C. Correctly identify and record all acquisition and disposal costs and revenues in the appropriate records
D. Correctly calculate and record **depreciation** charges and other necessary entries and adjustments in the appropriate records
E. Ensure that the records clearly show the prior authority for capital expenditure and disposal and the approved method of funding and disposal
F. Correctly calculate and record the profit and loss on disposal in the appropriate records
G. Ensure that the organisation's policies and procedures relating to the maintenance of capital records are adhered to
H. Identify and resolve or refer to the appropriate person any lack of agreement between physical items and records
I. Make suggestions for improvements in the way the organisation maintains its capital records where possible to the appropriate person

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Range Statement

Performance in this element relates to the following contexts:

Records:
Asset register
Books of original entry
Ledgers

Depreciation:
Straight line
Reducing balance

Unit 5 Maintaining Financial Records and Preparing Accounts

Element 5.2 Collecting and collating information for the preparation of final accounts

Performance Criteria

In order to perform this element successfully you need to:

Correctly prepare **reconciliations** for the preparation of final accounts
Identify any discrepancies in the reconciliation process and either take steps to rectify them or refer them to the appropriate person
Accurately prepare a trial balance and open a suspense account to record any imbalance
Establish the **reasons** for any imbalance and clear the suspense account by correcting the errors, or reduce them and resolve outstanding items to the appropriate person
Correctly identify, calculate and record appropriate **adjustments**
Make the relevant journal entries to close off the revenue accounts in preparation for the transfer of balances to the final accounts
Conduct investigations into business transactions with tact and courtesy
Ensure that the organisation's policies, regulations, procedures and timescales relating to preparing final accounts are observed

---

Range Statement

Performance in this element relates to the following contexts:

Reconciliations:
Purchase ledger reconciliation
Sales ledger reconciliation
Closing stock reconciliation

Reasons for imbalance:
Incorrect double entries
Missing entries
Numerical inconsistencies and wrong calculations
Insufficient data and incomplete records have been provided
Inconsistencies within the data

Adjustments:
Prepayments and accruals
Provisions for doubtful debts
Provisions for depreciation
Closing stock

Unit 5 Maintaining Financial Records and Preparing Accounts

Element 5.3 Preparing the final accounts of sole traders and partnerships

Performance Criteria

In order to perform this element successfully you need to:

Prepare **final accounts of sole traders** in proper form, from the trial balance
Prepare **final accounts of partnerships** in proper form and in compliance with partnership agreement, from the trial balance
Observe the organisation's policies, regulations, procedures and timescales in relation to preparing final accounts of sole traders and partnerships
Identify and resolve or refer to the appropriate person discrepancies, unusual features or queries

---

Range Statement

Performance in this element relates to the following contexts:

Final accounts of sole traders:
Profit and loss account
Balance sheet

Final accounts of partnerships:
Profit and loss account
Balance sheet
Partnership appropriation account
Partners' capital and current accounts

Unit 6 Recording and Evaluating Costs and Revenues

Unit Commentary

This unit is concerned with how organisations record, analyse and report current and future costs and revenue data for use within the organisation. You will need to know that organisations build up costs and revenues in different ways. The ways costs are recorded vary with the type of industry as well as the measurement rules chosen by the organisation. You have to understand the meaning and consequence of these different ways of recording costs and revenues and be able to apply them in relevant circumstances.

There are three elements. The first element focuses on direct costs and revenues, the second on overheads. You will need to apply both types of cost to the reporting of the organisation's expenses. In addition, you will need to apply both types of costing to the recording and analysing of unit and departmental costs. The third element is concerned with using cost and revenue information to help organisations make decisions. You will need to know about cost behaviour and apply it appropriately to managerial decisions for both short- and long-term planning purposes.

Elements contained within this unit are:

Element 6.1	Record and analyse information relating to direct costs and revenues
Element 6.2	Record and analyse information relating to the allocation, apportionment and absorption of overhead costs
Element 6.3	Prepare and evaluate estimates of costs and revenues

---

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment
The nature and purpose of internal reporting (Elements 6.1, 6.2 & 6.3)
Management information requirements (Elements 6.1, 6.2 & 6.3)
Maintaining an appropriate cost accounting system (Elements 6.1 & 6.2)

Unit 6 Recording and Evaluating Costs and Revenues

Knowledge and Understanding, continued

Accounting Techniques

Recording of cost and revenue data in the accounting records (Elements 6.1 & 6.2)
Methods of stock control and valuation including First In First Out, Last In First Out and Weighted Average Cost (Element 6.1)
Methods for and calculation of payments for labour (Element 6.1)
Procedures and documentation relating to expenses (Elements 6.1 & 6.2)
Bases of allocating and apportioning indirect costs to responsibility centres: direct and step down methods (Element 6.2)
Marginal versus absorption costing for costing and reporting purposes (Elements 6.1 & 6.2)
The arbitrary nature of overhead apportionments (Element 6.2)
Bases of absorption (Element 6.2)
Calculation of product and service cost (Elements 6.1, 6.2 & 6.3)
Analysis of the effect of changing activity levels on unit costs (Elements 6.1, 6.2 & 6.3)
Methods of presenting information in written reports (Element 6.3)
The identification of fixed, variable and semi-variable costs and their use in cost recording, cost reporting and cost analysis (Elements 6.1, 6.2 & 6.3)
Cost-volume-profit analysis (Element 6.3)
The identification of limiting factors (Element 6.3)
Methods of project appraisal: payback and discounted cash flow methods (NPV and IRR) (Element 6.3)

Accounting Principles and Theory:

Relationship between the materials costing system and the stock control system (Element 6.1)
Relationship between the labour costing system and the payroll accounting system (Element 6.2)
Relationship between the accounting system and the expenses costing system (Elements 6.1 & 6.2)
Marginal costing (Elements 6.1 & 6.3)
Absorption costing (Elements 6.2 & 6.3)
Cost behaviour (Element 6.3)
The principles of discounted cash flow (Element 6.3)

The Organisation:

Costing systems appropriate to the organisation: job, batch, unit and process costing systems (Elements 6.1, 6.2 & 6.3)
The sources of information for revenue and costing data (Elements 6.1, 6.2 & 6.3)

Unit 6 Recording and Evaluating Costs and Revenues

Element 6.1 Record and analyse information relating to direct costs and revenues

Performance Criteria

In order to perform this element successfully you need to:

A. Identify **direct costs** in accordance with the organisation's costing procedures
B. Record and analyse information relating to direct costs
C. Calculate direct costs in accordance with the organisation's policies and procedures
D. Check cost information for **stocks** against usage and stock control practices
E. Resolve or refer queries to the appropriate person

Range Statement

Performance in this element relates to the following contexts:

Direct costs:
Materials
Direct labour costs

Stocks:
Raw materials
part-finished goods
Finished goods

Unit 6 Recording and Evaluating Costs and Revenues

Element 6.2 Record and analyse information relating to the allocation, apportionment and absorption of overhead costs

Performance Criteria

In order to perform this element successfully you need to:

Identify **overhead costs** in accordance with the organisation's procedures
Attribute overhead costs to production and service cost centres in accordance with agreed **bases of allocation and apportionment**
Calculate overhead absorption rates in accordance with agreed **bases of absorption**
Record and analyse information relating to overhead costs in accordance with the organisation's procedures
Make adjustments for under and over recovered overhead costs in accordance with established procedures
Review methods of allocation, apportionment and absorption at regular intervals in discussions with senior staff and ensure agreed changes to methods are implemented
Consult staff working in operational departments to resolve any queries in overhead cost data

---

Range Statement

Performance in this element relates to the following contexts:

Overhead costs:
Fixed
Variable
Semi-variable

Bases of allocation and apportionment:
Direct methods
Step down methods

Bases of absorption:
Labour hour methods
Machine hour methods

Unit 6 Recording and Evaluating Costs and Revenues

Element 6.3 Prepare and evaluate estimates of costs and revenues

Performance Criteria

In order to perform this element successfully you need to:

Identify information relevant to estimating current and future revenues and costs
Prepare **estimates** of future income and costs
Calculate the effects of variations in capacity on product costs
Analyse critical factors affecting costs and revenues using appropriate accounting techniques and draw clear conclusions from the analysis
State any assumptions used when evaluating future costs and revenues
Identify and evaluate options and solutions for their contribution to organisational goals
Present recommendations to appropriate people in a clear and concise way and supported by a clear rationale

---

Range Statement

Performance in this element relates to the following contexts:

Estimates:
Short term decisions**:**
- Break-even analysis
- Margin of safety
- Target profit
- Profit volume ratio
- Limiting factors

Long term decisions:
- Project appraisal using payback and discounted cash flow methods

Methods of presentation:
Verbal presentation
Written reports

Unit 7 Preparing Reports and Returns

Unit Commentary

This unit relates to the preparation of reports and returns from information obtained from all relevant sources. You are required to calculate ratios and performance indicators and present the information according to the appropriate conventions and definitions to either management or outside agencies, including the VAT Office. The unit is also concerned with your communication responsibilities which include obtaining authorisation before despatching reports, seeking guidance from the VAT Office and presenting reports and returns in the appropriate manner.

Elements contained within this unit are:

Element: 7.1 Prepare and present periodic performance reports

Element: 7.2 Prepare reports and returns for outside agencies

Element: 7.3 Prepare VAT returns

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment

Main sources of relevant government statistics (Elements 7.1 & 7.2)
Relevant performance and quality measures (Element 7.1)
Main types of outside organisations requiring reports and returns: regulatory; grant awarding; information collecting; trade associations (Element 7.2)
Basic law and practice relating to all issues covered in the range statement and referred to in the performance criteria. Specific issues include: the classification of types of supply; registration requirements; the form of VAT invoices; tax points (Element 7.3)
Sources of information on VAT: Customs and Excise Guide (Element 7.3)
The processes and systems required to complete and submit VAT returns in accordance with current legislation (Element 7.3)
Special schemes: annual accounting; cash accounting; bad debt relief (Element 7.3)

Accounting Techniques

Use of standard units of inputs and outputs (Element 7.1 & 7.3)
Time series analysis (Element 7.1)
Use of index numbers (Element 7.1)
Main types of performance indicators: productivity; cost per unit; resource utilisation; profitability (Elements 7.1 & 7.2)
Ratios: gross profit margin; net profit margin; return on capital employed (Elements 7.1 & 7.2)
Tabulation of accounting and other quantitative information using spreadsheets (Elements 7.1 & 7.2)
Methods of presenting information: written reports; diagrammatic; tabular (Elements 7.1 & 7.2)

Unit 7 Preparing Reports and Returns

Knowledge and Understanding, continued

The Organisation

How the accounting systems of an organisation are affected by its organisational structure, its administrative systems and procedures and the nature of its business transactions (Elements 7.1, 7.2 & 7.3)

The purpose and structure of reporting systems within the organisation (Element 7.1)

Background understanding that a variety of outside agencies may require reports and returns from organisations and that these requirements must be built into administrative and accounting systems and procedures (Element 7.2 & 7.3)

Background understanding that recording and accounting practices may vary between organisations and different parts of organisations (Elements 7.1, 7.2 & 7.3)

The basis of the relationship between the organisation and the VAT Office (Element 7.3)

Unit 7 Preparing Reports and Returns

Element 7.1 Prepare and present periodic performance reports

Performance Criteria

In order to perform this element successfully you need to:

Consolidate **information** derived from different units of the organisation into the appropriate form
Reconcile **information** derived from different information systems within the organisation
Compare results over time using an appropriate method that allows for changing price levels
Account for transactions between separate units of the organisation in accordance with the organisation's procedures
Calculate **ratios** and **performance indicators** in accordance with the organisation's procedures
Prepare reports in the appropriate form and present them to management within the required timescales

---

Range Statement

Performance in this element relates to the following contexts:

Information:
Costs
Revenue

Ratios:
Gross profit margin
Net profit margin
Return on capital employed

Performance indicators:
Productivity
Cost per unit
Resource utilisation
Profitability

Methods of presenting information:
Written report containing diagrams
Table

Unit 7 Preparing Reports and Returns

Element 7.2 Prepare reports and returns for outside agencies

Performance Criteria

In order to perform this element successfully you need to:

Identify, collate and present relevant information in accordance with the conventions and definitions used by outside agencies
Ensure calculations of **ratios** and performance indicators are accurate
Obtain authorisation for the despatch of completed **reports and returns** from the appropriate person
Present **reports and returns** in accordance with outside agencies' requirements and deadlines

---

Range Statement

Performance in this element relates to the following contexts:

Ratios:
Gross profit margin
Net profit margin
Return on capital employed

Reports and returns:
Written report
Return on standard form

Unit 7 Preparing Reports And Returns

Element 7.3 Prepare VAT returns

Performance Criteria

In order to perform this element successfully you need to:

Complete and submit VAT returns correctly, using data from the appropriate **recording systems**, within the statutory time limits.
Correctly identify and calculate relevant **inputs and outputs**.
Ensure submissions are made in accordance with current legislation
Ensure guidance is sought from the VAT Office when required, in a professional manner

---

Range Statement

Performance in this element relates to the following contexts:

Recording systems:
Computerised ledgers
Manual control account
Cash book

Inputs and outputs:
Standard supplies
Exempt supplies
Zero rated supplies
Imports
Exports

Unit 8 Contributing to the Management of Performance and the Enhancement of Value

Unit Commentary

This unit is about collecting, analysing and interpreting information of help to managers in controlling costs and improving the performance of operations. There are two elements.

The first element focuses on the identification and analysis of costs that may be of help to managers. You will have to monitor and analyse costs against trends, standards and organisational needs, and explain any difference between actual and planned or expected costs. In addition, you will have to demonstrate your understanding of forecasting techniques as an aid to cost analysis and control.

The second element is concerned with monitoring the performance of an organisation or parts of an organisation and making recommendations that will enhance the organisation's value. In this element you have to identify and calculate performance indicators, monitor the performance of part or all of the organisation and make proposals that will enhance the value of the organisation.

You will have to obtain information from a variety of internal and external sources and monitor costs, performance indicators and movements in prices over an appropriate timescale. You will also be required to use the information to prepare and present management reports. As well as being familiar with manually developing information, you will also need to know how computer spreadsheets can assist you in preparing cost and performance information.

Elements contained within this unit are:

Element 8.1 Collect, analyse and disseminate information about costs

Element 8.2 Monitor performance and make recommendations to enhance value

---

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The business environment

External sources of information on costs and prices: government statistics, trade associations, financial press, quotations, price lists (Elements 8.1 and 8.2)
General economic environment (Elements 8.1 and 8.2)

Accounting techniques

Basic statistical methods: index numbers; sampling techniques; time series analysis (moving averages, linear regression and seasonal trends) (Element 8.1)
Use of relevant computer packages (Elements 8.1 and 8.2)
Methods of presenting information in graphical, diagrammatic and tabular form (Element 8.1)
Performance indicators: efficiency, effectiveness, productivity; balanced scorecard, benchmarking; unit costs; control ratios (efficiency, capacity and activity), scenario planning ('what-if' analysis) (Element 8.2)
Standard costing (Element 8.1)

Unit 8 Contributing to the Management of Performance and the Enhancement of Value

Knowledge and Understanding, continued

Accounting principles and theory

Marginal and absorption costing: cost recording, cost reporting, cost behaviour (Elements 8.1 and 8.2)

Cost management: life cycle costing; target costing (including value engineering); activity based costing; principles of Total Quality Management (including cost of quality) (Element 8.2)

The use and limitation of published statistics (Element 8.1)

Effect of accounting controls on behaviour of managers and other employees (Elements 8.1 and 8.2)

The organisation

How the accounting systems of an organisation are affected by its organisational structure, its administrative systems and procedures and the nature of its business transactions (Elements 8.1 & 8.2)

The organisation's external environment and specific external costs (Element 8.1)

The contribution of functional specialists in an organisation (e.g. marketing, design, engineering, quality control, etc.) to cost reduction and value enhancement (Element 8.2)

Unit 8 Contributing to the Management of Performance and the Enhancement of Value

Element 8.1 Collect, analyse and disseminate information about costs

Performance Criteria

In order to perform this element successfully you need to:

Identify valid, relevant **information** from internal and external sources
Monitor and analyse on a regular basis current and forecast trends in prices and market conditions
Compare trends with previous experience and identify potential implications
Compare standard costs with actual costs and analyse any **variances**
Analyse the effect of organisational accounting policies on reported costs
Consult relevant staff in the organisation about the analysis of trends and variances
Present reports to management that **summarise data**, present information using appropriate **methods** and highlight significant trends

---

Range Statement

Performance in this element relates to the following contexts:

Information:
Movements in prices charged by suppliers, competitors, and providers of services
General price changes

Methods of summarising data:
Time series (moving averages, linear regression, seasonal variations)
Index numbers and sampling

Methods of presenting information in reports:
Written analysis and explanation
Tables
Diagrams

Variance analysis:
Material price and usage variances
Labour rate and efficiency variances
Fixed overhead expenditure, volume, capacity and efficiency variances
Subdivision of variances

The build up of costs:
Absorption costing
Marginal costing,
Activity-based costing

Unit 8 Contributing to the Management of Performance and the Enhancement of Value

Element 8.2 Monitor performance and make recommendations to enhance value

Performance Criteria

In order to perform this element successfully you need to:

Analyse routine cost reports, compare them with other sources of information and identify any implications
Prepare and monitor relevant **performance indicators**, interpret the results, identify potential improvements and estimate the value of potential improvements
Consult relevant specialists and assist in identifying ways to reduce costs and enhance value
Prepare exception reports to identify matters which require further investigation
Make specific **recommendations** to management in a clear and appropriate form

---

Range Statement

Performance in this element relates to the following contexts:

Performance indicators to measure:
Financial, customer, internal business, and learning and growth perspectives
Efficiency, effectiveness and productivity
Unit costs; resource utilisation
Profitability
Quality of service
Cost of quality

Recommendations:
Efficiencies
Modifications to work processes
Benchmarking

Unit 9 Contributing to the Planning and Control of Resources

Unit Commentary

This unit focuses on the planning and control of resources in an organisation. There are three elements.

In the first element, you have to develop forecasts of demand, turnover, resources to be consumed and their cost.

The second element requires you to use forecasts to prepare draft budgets for income and expenditure. This may involve you changing your initial budget to take account of revised information about factors that limit the operations of the organisation.

The final element relates to part of the control function in organisations. You will be required to compare the actual performance of all or part of an organisation against what was planned to happen and advise managers of possible reasons for any difference.

You will need to ensure all relevant data has been included in your budgets and that all relevant staff have been consulted. In addition, you will need to ensure that transactions have been accurately recorded and appropriate accounting methods have been used for both the planning and monitoring of budgets. As well as being familiar with manually developing forecasts and budgets, you will also need to know how computer spreadsheets can help you in their development.

Elements contained within this unit are:

Element 9.1 Prepare forecasts of income and expenditure

Element 9.2 Prepare draft budget proposals

Element 9.3 Monitor the performance of responsibility centres against budgets

---

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The business environment

External sources of information on costs, prices demand and availability of resources: (Elements 9.1, 9.2 and 9.3)

General economic environment (Elements 9.1, 9.2 and 9.2)

Unit 9 Contributing to the Planning and Control of Resources

Knowledge and Understanding, continued

Accounting techniques

Basic statistical methods: time series (moving averages, linear regression and seasonal variations), sampling techniques; index numbers (Element 9. 1)
Use of relevant computer packages (Element 9.1, 9.2 and 9.3)
Development of production, resource and revenue budgets from forecast sales data
Co-ordination of the budget system (Elements 9.2 & 9.3)
The effect of capacity constraints, other production constraints and sales constraints on budgets; limiting (key or budget) factor (Elements 9.2 & 9.3)
Budgets for control: flexible budgets, marginal costing
The effect of budgetary systems on the behaviour and motivation of managers and other employees (Element 9.2)
Analysing the significance of budget variances and possible responses required by managers (Element 9.3)
Presentation of budget data in a form that satisfies the differing needs of budget holders

Accounting principles and theory

Marginal and absorption costing: cost recording, cost reporting, cost behaviour (Elements 9.2 and 9.3)
Uses of budgetary control: planning, co-ordinating, authorising, cost control (Elements 9.1, 9.2 & 9.3)
Relationship between budgets, forecasts and planning and product-life cycles (Elements 9.1, 9.2 & 9.3)
Different types of budgets: budgets for income and expenditure; resource budgets (production, material, labour and other resource budgets); capital budgets (Elements 9.2 & 9.3)

The organisation

How the accounting systems of an organisation are affected by its organisational structure, its administrative systems and procedures and the nature of its business transactions (Elements 9.1, 9.2 & 9.3)
The structure of the organisation and its responsibility centres and an understanding of the inter-relationships between departments and functions is required (Elements 9.1, 9.2 & 9.3)
Responsibility centres: expense centres; profit centres; investment centres (Element 9.3)

Unit 9 Contributing to the Planning and Control of Resources

Element 9.1 Prepare forecasts of income and expenditure

Performance Criteria

In order to perform this element successfully you need to:

Identify relevant **data** for projecting **forecasts** from internal and external sources
Communicate with relevant individuals and give them the opportunity to raise queries and to clarify forecasts
Prepare forecasts in a clear format with explanations of assumptions, **projections** and adjustments
Review and revise the validity of forecasts in the light of any significant anticipated changes

---

Range Statement

Performance in this element relates to the following contexts:

Data:
Accounting information
Wage and salary information
Information about suppliers and availability of inputs
Information about customers and markets
General economic information

Forecasts:
- Income
- Expenditure

Projections:
Trends
Seasonal variations
Market research

Unit 9 Contributing to the Planning and Control of Resources

Element 9.2 Prepare draft budget proposals

Performance Criteria

In order to perform this element successfully you need to:

Present to management draft **budget** proposals in a clear and appropriate format and on schedule
Verify that draft budget proposals are consistent with organisational objectives and include all relevant **data** and assumptions
Break down budgets into periods appropriate to the organisation
Communicate with budget holders in a manner which maintains goodwill and ensure budget proposals are agreed with budget holders

---

Range Statement

Performance in this element relates to the following contexts:

Types of budgets
- Budgets for income and expenditure
- Resource budgets (production budget, material budget, labour budget fixed overhead budget)
- Capital budgets

Data:
Accounting information
Wage and salary information
Market information
General economic information
Strategic plans

Unit 9 Contributing to the Planning and Control of Resources

Element 9.3 Monitor the performance of responsibility centres against budgets

Performance Criteria

In order to perform this element successfully you need to:

Check and reconcile **budget** figures on an ongoing basis
Correctly code and allocate actual cost and revenue data to **responsibility centres**
Clearly and correctly identify **variances** and prepare relevant reports for management
Discuss with budget holders and other managers any significant variances and help managers take remedial action

---

Range Statement

Performance in this element relates to the following contexts:

Types of budgets:
Budget for income and expenditure
Resource budget
Fixed and flexible budgets

Responsibility centres:
Expense centres
Profit centres

Variances
Actual
Potential

Unit 10 Managing Systems and People in the Accounting Environment

Unit Commentary

This unit is about your role as a manager in the accounting environment, whether you are a line manager or are managing a particular function or project.

The first element requires you to show that you co-ordinate work activities effectively within the accounting environment. This includes setting realistic objectives, targets and deadlines and managing people in such a way that these can be met. You also need to show that you prepare contingency plans to cover a variety of problems that can reduce the likelihood of meeting objectives, targets and deadlines.

The second element is about identifying weaknesses in an accounting system and making recommendations to rectify these. This involves identifying potential for misuse of a system, whether this is accidental (errors) or deliberate (fraud). You are also required to update the system, for example to comply with legislative requirements, and to check that the output is correct after the system has been updated.

Elements contained within this unit are:

Element 10.1 Manage people within the accounting environment

Element 10.2 Identify opportunities for improving the effectiveness of an accounting system

---

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment
The range of external regulations affecting accounting practice (Element 10.2)
Common types of fraud (Element 10.2)
The implications of fraud (Element 10.2)

Management Techniques
Methods for scheduling and planning work (Element 10.1)
Techniques for managing your own time effectively (Element 10.1)
Methods of measuring cost-effectiveness (Element 10.2)
Methods of detecting fraud within accounting systems (Element 10.2)
Techniques for influencing and negotiating with decision-makers and controllers of resources (Element 10.1)
Techniques for reviewing recommendations through cost-benefit analysis (Element 10.2)

Management Principles and Theory
Principles of supervision and delegation (Element 10.1)
Principles of fostering effective working relationships, building teams and motivating staff (Element 10.1)

Unit 10 Managing Systems and People in the Accounting Environment

Knowledge and Understanding, continued

The Organisation

How the accounting systems of an organisation are affected by its organisational structure, its Management Information Systems, its administrative systems and procedures and the nature of its business transactions (Elements 10.1 & 10.2)

The overview of the organisation's business and its critical external relationships (customers/clients, suppliers, etc.) (Elements 10.1 & 10.2)

The purpose, structure and organisation of the accounting function and its relationships with other functions within the organisation (Element 10.2)

Who controls the supply of resources (equipment, materials, information and people) within the organisation (Element 10.1)

Unit 10 Managing Systems and People in the Accounting Environment

Element 10.1 Manage people within the accounting environment

Performance Criteria

In order to perform this element successfully you need to:

A. Plan work activities to make the optimum use of resources and to ensure that work is completed within agreed timescales
B. Review the competence of individuals undertaking work activities and arrange the necessary training
C. Prepare, in collaboration with management, **contingency plans** to meet possible emergencies
D. Communicate work methods and schedules to colleagues in ways that help them to understand what is expected of them
E. Monitor work activities sufficiently closely to ensure that quality standards are being met
F. Co-ordinate work activities effectively and in accordance with work plans and contingency plans.
G. Encourage colleagues to report to you promptly any problems and queries that are beyond their authority or expertise to resolve, and resolve these where they are within your authority and expertise
H. Refer problems and queries to the appropriate person where resolution is beyond your authority or expertise

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Range Statement

Performance in this element relates to the following contexts:

• **Contingency plans allowing for:**
Fully functioning computer system not being available
Staff absence
Changes in work patterns and demands

Unit 10 Managing Systems and People in the Accounting Environment

Element 10.2 Identify opportunities for improving the effectiveness of an accounting system

Performance Criteria

In order to perform this element successfully you need to:

A. Identify **weaknesses** and potential for improvements to the accounting system and consider their impact on the operation of the organisation
B. Identify potential areas of fraud arising from control avoidance within the accounting system and grade the risk
C. Review methods of operating regularly in respect of their cost-effectiveness, reliability and speed
D. Make **recommendations** to the appropriate person in a clear, easily understood format
E. Ensure **recommendations** are supported by a clear rationale which includes an explanation of any assumption made
F. Explain to those affected the implications of **recommended changes** in terms of financial costs and benefits.

Range Statement

Performance in this element relates to the following contexts:

Weaknesses:
Potential for errors
Exposure to possible fraud

Accounting system:
Manual
Computerised

Recommendations:
Oral
Written

Changes affecting systems:
External regulations
Organisational policies and procedures

Unit 11 Drafting Financial Statements (Accounting Practice, Industry and Commerce)

Unit Commentary

This unit is about drafting and interpreting financial statements of limited companies. The first element in this unit is about drafting limited company year-end financial statements from a trial balance. You are responsible for ensuring that the financial statements comply with any relevant domestic legislation and *either* the relevant UK standards (Statements of Standard Accounting Practice, Financial Reporting Standards and other relevant pronouncements) *or* the International Accounting Standards. You also need to show that you ensure that confidentiality procedures are followed. The second element requires you to interpret the financial statements of companies and the relationships between the elements using ratio analysis.

Elements contained within this unit are:

Element 11.1 Draft limited company financial statements

Element 11.2 Interpret limited company financial statements

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment:
The elements and purposes of financial statements of limited companies as set out in the conceptual framework for financial reporting (Element 11.2)
The general legal framework of limited companies and the obligations of Directors in respect of the financial statements (Element 11.1)
The statutory form of accounting statements and disclosure requirements (Element 11.1)
The UK regulatory framework for financial reporting and the main requirements of relevant Financial Reporting Standards
or
The relevant requirements of the International Accounting Standards (Element 11.1)
The forms of equity and loan capital (Element 11.1)
The presentation of Corporation Tax in financial statements (Element 11.1)

Accounting Techniques:
Preparing financial statements in proper form (Element 11.1)
Analysing and interpreting the information contained in financial statements (Element 11.2)
Computing and interpreting accounting ratios (Element 11.2)

Accounting Principles and Theory:
Generally accepted accounting principles and concepts (Elements 11.1)
The general principles of consolidation (Element 11.1)

Unit 11 Drafting Financial Statements (Accounting Practice, Industry and Commerce)

Knowledge and Understanding, continued

The Organisation:

How the accounting systems of an organisation are affected by its roles, organisational structure, its administrative systems and procedures and the nature of its business transactions (Elements 11.1 & 11.2)

Unit 11 Drafting Financial Statements (Accounting Practice, Industry and Commerce)

Element 11.1 Draft limited company financial statements

Performance Criteria

In order to perform this element successfully you need to:

Draft **limited company financial statements** from the appropriate information
Correctly identify and implement subsequent adjustments and ensure that discrepancies, unusual features or queries are identified and either resolved or referred to the appropriate person
Ensure that **limited company financial statements** comply with **relevant accounting standards** and **domestic legislation** and with the organisation's policies, regulations and procedures
Prepare and interpret a limited company cash flow statement
Ensure that confidentiality procedures are followed at all times

---

Range Statement

Performance in this element relates to the following contexts:

Limited company financial statements:
Income statement
Balance sheet
Cash flow statement (not consolidated)
Statement of total recognised gains and losses
The supplementary notes required by statute
Unitary
Consolidated

Domestic legislation:
Companies Act

Relevant accounting standards:
Relevant Statements of Standard Accounting Practice, Financial Reporting Standards and other relevant pronouncements
or
International Accounting Standards

Unit 11 Drafting Financial Statements (Accounting Practice, Industry and Commerce)

Element 11.2 Interpret limited company financial statements

Performance Criteria

In order to perform this element successfully you need to:

Identify the general purpose of financial statements used in limited companies
Identify the **elements** of financial statements used in limited companies
Identify the **relationships between the elements** within financial statements of limited companies
Interpret the relationship between elements of limited company financial statements using ratio analysis
Identify unusual features or significant issues within financial statements of limited companies
Draw valid conclusions from the information contained within financial statements of limited companies
Present issues, interpretations and conclusions clearly to the appropriate people

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Range Statement

Performance in this element relates to the following contexts:

Financial statements:
Balance sheet
Income statement

Elements:
Assets
Liabilities
Ownership interest
Gains
Losses
Contributions from owners
Distributions to owners

Relationship between elements:
Profitability
Liquidity
Efficient use of resources
Financial position

Unit 12 Drafting Financial Statements (Central Government)

Unit Commentary

This unit is about drafting and interpreting financial statements of Central Government organisations. The first element is about drafting Central Government financial statements. You are responsible for ensuring the accounts and statements comply with any applicable domestic standards and legislation and that adjustments are made to the statements in accordance with the relevant guidance manuals. The second element requires you to interpret the relationships between the elements of Central Government financial statements.

Elements contained within this unit are:

Element 12.1 Draft Central Government financial statements

Element 12.2 Interpret Central Government financial statements

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Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment:

The elements and purposes of financial statements of Central Government organisations (Element 12.2)
The chart of accounts (Element 12.2)
The requirements of the legislative and regulatory framework including the Government Resources and Accounts Act (Elements 12.1 & 12.2)
The audit needs relating to accounts (Element 12.1)
The financial structure and function of Central Government bodies including:
- Central government departments
- Agencies
- Trading and other funds
- Non-departmental public bodies
- Grant aided bodies
- Central pension funds
- Department's sponsored bodies (Element 12.1)

The presentation of accounts for Central Government bodies including:
- Income and expenditure accounts
- Balance sheets
- Statements of recognised gains and losses
- Cash flow statements
- Assets and liabilities statements
- Memorandum trading accounts
- Resource estimates
- Current conventions for resource accounting
- Notes to the accounts

7. The resourcing of Central Government including the supply procedure (votes, estimates, Requests for Resources and Public Expenditure Survey transfers), grants, fees and charges (Element 12.1)
8. The role of the Consolidated Fund, National Loan Fund and funds outside the supply system (Element 12.1)
9. Main requirements of relevant Financial Reporting Standards, in particular 3, 11, 12, 15 and 18 (Element 12.1)

10. Accounts directions (Element 12.1)

Accounting Techniques

Preparing financial statements of Central Government bodies (Elements 12.1 & 12.2)
Analysing and interpreting information in financial statements and evaluating performance (Elements 12.1 & 12.2)
The closing accounts and the year end routines (Element 12.1)
Converting financial statements from accruals based to cash based and vice versa (Element 12.1)

Accounting Principles and Theory

Differences between the published accounts of different types of organisations (Element 12.2)
Generally accepted accounting principles and concepts, as specified in the current guidelines on resource accounting
General principles and rules of government and public body accounting as set out in current government guidelines (Element 12.1)
Timing and purpose of government accounts (Element 12.1)
Accounting for fixed assets as applicable to Central Government (Element 12.1)

The Organisation

Understanding that the accounting systems of an organisation are affected by its roles, organisational structure, its administrative systems and procedures and the nature of its business transactions (Elements 12.1 & 12.2)

Unit 12 Drafting Financial Statements (Central Government)

Element 12.1 Draft Central Government financial statements

Performance Criteria

In order to perform this element successfully you need to:

Identify and process relevant accounting entries
Consult appropriate staff to ensure that all relevant information is correctly processed and incorporated in the accounts
Make relevant accounting adjustments to complete the accounts
Draft financial statements and resource accounts of **central government bodies** accurately and in the prescribed format
Draft all notes and reports on the accounts in a clear, concise and informative manner
Observe the Government's policies, regulations, procedures and timescales

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Range Statement

Central government bodies:
Departments
Agencies
Non-departmental public bodies
Grant-aided bodies
Trading funds and other funds

Unit 12 Drafting Financial Statements (Central Government)

Element 12.2 Interpret Central Government financial statements

Performance Criteria

In order to perform this element successfully you need to:

Identify the general purpose of financial statements used in Central Government organisations
Identify **elements** of financial statements used in Central Government organisations
Identify the structure of the chart of accounts
Interpret the **relationship between elements** of Central Government financial statements
Identify unusual features or significant issues within financial statements
Draw valid conclusions from the information contained within financial statements
Present conclusions and interpretations clearly

Range Statement

Performance in this element relates to the following contexts:

Financial statements:
Balance sheet
Income statement
Cash flow statement
Schedules

Elements:
Assets
Liabilities
Ownership interest
Income
Funding provider's interest
Gains and losses

Relationship between elements:
Viability
Liquidity
Efficient use of resources
Financial position, including forward estimates

Unit 13 Drafting Financial Statements (Local Government)

Unit Commentary

This unit is about drafting and interpreting the financial statements of Local Government bodies. The first element of this unit requires you to draft Local Government financial statements, including revenue accounts for general fund activity, housing revenue, consortia and trading activities. You are also required to prepare consolidated accounting statements including the Consolidated Revenue Account and Balance Sheet, the Statement of Total Movements in Reserves, the Cash Flow Statement and the collection and pension fund accounts. You have responsibility for ensuring the accounts and statements comply with any relevant domestic standards and legislation, the Accounting Code of Practice and the Best Value Accounting Code of Practice. The second element requires you to interpret the relationships between the elements of Local Government financial statements.

Elements contained within this unit are:

Element 13.1 Draft Local Authority financial statements

Element 13.2 Interpret financial statements of Local Authorities

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Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment:

The elements and purposes of financial statements of Local Government organisations (Element 13.2)
The requirements of the legislative and regulatory framework (Elements 13.1 & 13.2)
Local authority structure and functions (Element 13.1)
The importance of Best Value, and current services provided by different types of authority (Element 13.1)
National Government funding relationship and areas of legislative controls (Element 13.1)
Current and emerging trends which include private finance initiatives, service transfers and supporting people initiatives (Element 13.1)
Trading services, performance indicators and cross cutting service activity (Element 13.1)
An understanding of the Revenues of local authorities and the limitations of a local authority's autonomy (Element 13.1)
Distinction between Revenue and Capital (Element 13.1)
An understanding of capital accounts (Element 13.1)
General legal framework with specific regard to the expansion of spending powers (Element 13.1)

Unit 13 Drafting Financial Statements (Local Government)

Knowledge and Understanding, continued

Accounting Techniques:

Preparing financial statements (Element 13.2)

Analysing and interpreting the information contained in financial statements (Elements 13.1 & 13.2)

Computing and interpreting accounting ratios (Elements 13.1 & 13.2)

Preparing revenue accounts, consolidation statements, fund accounts, cash statements and other statements (Element 13.1)

Evaluating accounting information for performance monitoring purposes and variance analysis (Element 13.1)

Accounting Principles and Theory:

Generally accepted accounting principles and concepts (Elements 13.1 & 13.2)

Application of general accounting principles through the Accounting Code of Practice, Best Value Accounting Code of Practice, Financial Reporting Standards (in particular 3, 11, 12, 15 and 18) and Local Authority Accounting Panel bulletins (Element 13.1)

The importance of cash flow and investment management including cash flow statements (Element 13.1)

The closing accounts programme, including the need for adequate working papers, well maintained files for source data and quality control over the final accounts process (Element 13.1)

The Organisation:

How the accounting systems of an organisation are affected by its organisational structure, its administrative systems and procedures and the nature of its business transactions (Elements 13.1 & 13.2)

The political influence on authorities, and the emerging roles and structures of authorities (Element 13.1)

Differences between front line and back line services and cross cutting services (Element 13.1)

Unit 13 Drafting Financial Statements (Local Government)

Element 13.1 Draft Local Authority financial statements

Performance Criteria

To perform this element successfully you need to:

A. Draft individual **funds** with associated revenue accounts in accordance with the Accounting Code of Practice
B. Prepare service **Revenue Accounts** accurately and in accordance with the Chartered Institute for Public Finance and Accountancy standard classification of income and expenditure and Best Value Accounting Code of Practice
C. Prepare individual **funds** and control accounts accurately and bring forward the balances correctly
D. Draft consolidated Revenue Account, Balance Sheet, Statement of Total Movements in Reserves and Cash Flow, with notes of any accounting changes, in accordance with the requirements and format prescribed by the Accounting Code of Practice
E. Collate relevant background information, source documents and working papers in accordance with audit commission requirements
F. Present the financial statements to the appropriate person when required
G. Identify discrepancies, unusual features and queries and resolve them when it is your responsibility to do so
H. Refer discrepancies, unusual features and queries to the appropriate person promptly and with clear explanations, where resolution is not your responsibility

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Range Statement

Financial statements:
Consolidated accounting statements including the consolidated revenue account and Balance sheet
The statement of Total Movements in Reserves
The Cash Flow Statement Summary
DSO revenue and appropriation account

Funds:
General
Superannuation
Collection

Revenue accounts:
Consortia enterprises
Housing
General fund services
Trading services

Unit 13 Drafting Financial Statements (Local Government)

Element 13.2 Interpret financial statements of Local Authorities

Performance Criteria

To perform this element successfully you need to:

A. Identify the purpose of financial statements
B. Identify the elements of financial statements
C. Identify the relationships between the elements within financial statements
D. Interpret the relationships between **elements** of financial statements
E. Identify unusual features or significant issues within financial statements
F. Draw valid conclusions from the information contained within financial statements
G. Present issues, interpretations and conclusions clearly to the appropriate people

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Range Statement

Performance in this element relates to the following contexts:

Financial statements:
Consolidated accounting statements including the consolidated revenue account and Balance sheet
The statement of Total Movements in Reserves
The Cash Flow Statement Summary
DSO revenue and appropriation account

Elements:
Assets
Liabilities
Gains
Losses

Relationship between elements:
Viability
Liquidity
Efficient use of resources
Financial position

Unit 14 Drafting Financial Statements (National Health Service)

Unit Commentary

This unit is about drafting and interpreting financial statements of National Health Service (NHS) organisations. The first element is about drafting NHS financial statements. You are responsible for ensuring the accounts and statements comply with any applicable domestic standards and legislation. The second element requires you to interpret the relationships between the elements of NHS financial statements.

Elements contained within this unit are:

Element 14.1 Draft NHS accounting statements and returns

Element 14.2 Interpret NHS accounting statements and returns

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment

An awareness of the elements and purposes of financial statements of the NHS (Element 14.2)

2. The requirements of the legislative and regulatory framework (Elements 14.1 & 14.2)
3. The working landscape of the NHS (Element 14.1); the structure and functions of:
   - The NHS Executive or equivalent body in the part of the United Kingdom in which you work
   - Health Authorities/Local Health Boards;
   - NHS Trusts and Primary Care Trusts.
4. The organisation and administration of NHS finance, including charitable funds and the financial control of NHS bodies (Element 14.1)
5. Capital Asset accounting (Element 14.1):
   - The definition of capital;
   - The asset register;
   - Indexation, acquisition, depreciation and disposal of fixed assets;
   - Assets under construction.
6. Principles of relevant Financial Reporting Statements, in particular 3, 11, 12, 15 and 18 (Element 14.1)
7. Purchase and provision of healthcare services (Element 14.1)

Unit 14 Drafting Financial Statements (National Health Service)

Knowledge and Understanding, continued

Accounting techniques

8. A grasp of the methods of analysing and interpreting the information contained in financial statements (Elements 14.1 & 14.2)
9. A knowledge of the technique for calculating and interpreting accounting ratios (Element 14.2)
10. Resource accounting and budgeting (Element 14.1):
    Operating Cost Statement;
    Summary of Resource Outturn;
    Statement of Resources by Departmental Objective;
    Balance Sheet.
11. Function, form and method of preparation of NHS statements (Element 14.1):
    Cash Flow Statement;
    Capital Asset Register;
    Charitable Funds Analysis;
    NHS Trust Accounts.
12. Surpluses, deficits and the concept of brokerage (Element 14.1)

Accounting Principles and Theory

13. An appreciation of the differences between the published financial statements of different types of organisations (Element 14.2)
14. Concepts (Elements 14.1 & 14.2):
    Prudence
    Accruals
15. Conventions (Element 14.1):
    Materiality
    Consistency

The Organisation:

16. An understanding of how the accounting systems of an NHS organisation are affected by its organisational structure, its administrative systems and procedures and the nature of its business transactions (Element 14.2)

Unit 14 Drafting Financial Statements (National Health Service)

Element 14.1 Draft NHS accounting statements and returns

Performance Criteria

In order to perform this element successfully you need to:

A. Complete draft statements and returns in accordance with the standing financial instructions of your organisation and the requirements of the NHS Executive/National Assembly for Wales.
B. Analyse **incomings and outgoings** correctly and within the prescribed format.
C. Identify surpluses and deficits arising from your analysis of incomings and outgoings and reconcile them with the appropriate working papers.
D. Interpret changes to the manual of accounts correctly and act upon them within agreed timescales.
E. Consult appropriately qualified colleagues to ensure that all transactions have been correctly processed and included in the accounts, particularly where systems feed into the main ledger.
F. Identify discrepancies, queries and anomalies and resolve them within the limits of your responsibility
G. Refer discrepancies, queries and anomalies to an appropriately qualified person where they fall outside the limits of your responsibility

---

Range Statement

Performance in this element relates to the following contexts:

Incomings and outgoings:
Resources and net expenditure
Income and expenditure

Annual financial accounts:
The annual accounts of NHS bodies

Subsidiary statements and returns:
Capital asset analysis
Cash flow analysis
Charitable fund analysis

Unit 14 Drafting Financial Statements (National Health Service)

Element 14.2 Interpret NHS accounting statements and returns

Performance Criteria

In order to perform this element successfully you need to:

Identify the general purpose of **financial statements** used in the NHS
Identify the elements of **financial statements** used in the NHS
Identify the relationship of the **elements** within financial statements of the NHS
Interpret the relationship between elements of NHS financial statements
Identify unusual features or significant issues within financial statements of the NHS
Draw valid conclusions from the information contained within financial statements of the NHS
Present issues, interpretations and conclusions clearly to the appropriate people

---

Range Statement

Performance in this element relates to the following contexts:

Financial statements used in the NHS:
The annual accounts of NHS bodies

Elements:
Assets
Liabilities
Gains
Losses

Relationship between elements:
Viability
Liquidity
Efficient use of resources
Financial position

Unit 15 Operating a Cash Management and Credit Control System

Unit Commentary

This unit is concerned with the management of cash and credit. The unit involves the management of cash balances as well as the granting of credit and the collection of outstanding debts.

Elements contained within this unit are:

Element: 15.1 Monitor and control cash receipts and payments

Element: 15.2 Manage cash balances

Element: 15.3 Grant credit

Element: 15.4 Monitor and control the collection of debts

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment

The main types of cash receipts and payments: regular revenue receipts and payments; capital receipts and payments; drawings/dividends and disbursements; exceptional receipts and payments (Element 15.1)

The basic structure of the banking system and the money market in the UK and the relationships between financial institutions (Element 15.2)

Bank overdrafts and loans; terms and conditions; legal relationship between bank and customer (Element 15.2)

Types of marketable security (Bills of exchange, certificates of deposit, government securities, local authority short term loans); terms and conditions; risks (Element 15.2)

Government monetary policies (Element 15.2)

Legal issues: basic contract; terms and conditions of contracts relating to the granting of credit; Data Protection legislation and credit control information (Element 15.3)

Sources of credit status information (Element 15.3)

External sources of information: banks, credit agencies and official publications (Element 15.3)

Legal issues: remedies for breach of contract (Element 15.4)

Legal and administrative procedures for the collection of debts (Element 15.4)

The effect of bankruptcy and insolvency on organisations (Element 15.4)

Unit 15 Operating a Cash Management and Credit Control System

Knowledge and Understanding, continued

Accounting Techniques

Form and structure of cash budgets (Element 15.1)
Lagged receipts and payments (Element 15.1)
Basic statistical techniques for estimating future trends: moving averages, allowance for inflation (Element 15.1)
Computer models to assess the sensitivity of elements in the cash budget to change (e.g. price, wage rate changes) (Element 15.1)
Managing risk and exposure (Element 15.2)
Discounts for prompt payment (Element 15.3)
Interpretation and use of credit control information (Element 15.3 & 15.4)
Methods of collection (Element 15.4)
Factoring arrangements (Element 15.4)
Debt insurance (Element 15.4)
Methods of analysing information on debtors: age analysis of debtors; average periods of credit given and received; incidence of bad and doubtful debts (Element 15.4)
Evaluation of different collection methods (Element 15.4)

Accounting Principles and Theory

Cash flow accounting and its relationship to accounting for income and expenditure (Element 15.1)
Liquidity management (Elements 15.2, 15.3 & 15.4)

The Organisation

Understanding that the accounting systems of an organisation are affected by its organisational structure, its administrative systems and procedures and the nature of its business transactions (Elements 15.1, 15.2, 15.3 & 15.4)
Understanding that recording and accounting practices may vary in different parts of the organisation (Elements 15.1 & 15.4)
An understanding that practice in this area will be determined by an organisation's specific financial regulations, guidelines and security procedures (Element 15.2)
An understanding that in public sector organisations there are statutory and other regulations relating to the management of cash balances (Element 15.2)
Understanding that practice in this area will be determined by an organisation's credit control policies and procedures (Element 15.3)
An understanding of the organisation’s relevant policies and procedures (Elements 15.1, 15.3 & 15.4)

Unit 15 Operating a Cash Management and Credit Control System

Element 15.1 Monitor and control cash receipts and payments

Performance Criteria

In order to perform this element successfully you need to:

A. Monitor and control cash receipts and payments against budgeted cash flow
B. Consult appropriate staff to determine the likely pattern of **cash flows** over the accounting period and to anticipate any exceptional receipts or payments
C. Ensure forecasts of future cash payments and receipts are in accord with known income and expenditure trends
D. Prepare cash budgets in the approved format and clearly indicate net cash requirements
E. Identify significant deviations from the cash budget and take corrective action within defined organisational policies

---

Range Statement

Performance in this element relates to the following contexts:

Cash flows to be monitored:
Regular revenue receipts and payments
Capital receipts and payments
Drawings or dividends and disbursements
Exceptional receipts and payments

Unit 15 Operating a Cash Management and Credit Control System

Element 15.2 Manage cash balances

Performance Criteria

In order to perform this element successfully you need to:

A. Arrange overdraft and loan facilities in anticipation of requirements and on the most favourable terms available
B. Invest surplus funds in marketable securities within defined financial authorisation limits
C. Ensure the organisation's financial regulations and security procedures are observed
D. Ensure account is taken of trends in the economic and financial environment in managing cash balances
E. **Maintain an adequate level of liquidity** in line with cash forecasts

---

Range Statement

Performance in this element relates to the following contexts:

Maintain liquidity through the management of:
Cash
Overdrafts
Loans

Unit 15 Operating a Cash Management and Credit Control System

Element 15.3 Grant credit

Performance Criteria

In order to perform this element successfully you need to:

A. Agree credit terms with customers in accordance with the organisation's policies
B. Identify and use **internal and external sources of information** to evaluate the current credit status of customers and potential customers
C. Open new accounts for those customers with an established credit status
D. Ensure the reasons for refusing credit are discussed with customers in a tactful manner

---

Range Statement

Performance in this element relates to the following contexts:

Internal information derived from:
Analysis of the accounts
Colleagues in regular contact with current or potential customers or clients

External information derived from:
Credit rating agencies
Supplier references
Bank references

Unit 15 Operating a Cash Management and Credit Control System

Element 15.4 Monitor and control the collection of debts

Performance Criteria

In order to perform this element successfully you need to:

A. Monitor **information** relating to the current state of debtors' accounts regularly and take appropriate action
B. Send information regarding significant outstanding accounts and potential bad debts promptly to relevant individuals within the organisation
C. Ensure discussions and negotiations with debtors are conducted courteously and achieve the desired outcome
D. Use debt recovery methods **appropriate** to the circumstances of individual cases and in accordance with the organisation's procedures
E. Base recommendations to write off bad and doubtful debts on a realistic analysis of all known factors

---

Range Statement

Performance in this element relates to the following contexts:

Information on debtors:
Age analysis of debtors
Average periods of credit given and received
Incidence of bad and doubtful debts

Appropriate action:
Information and recommendations for action passed to appropriate individual within own organisation
Debtor contacted and arrangements made for the recovery of the debt

Unit 17 Implementing Audit Procedures

Unit Commentary

This unit relates to the internal and external auditing process and requires you to be involved from the planning through to the reporting stage. You need to show that you can identify and assess control objectives, select a sample and tests, draw appropriate conclusions from the tests and draft the reports which give preliminary conclusions and recommendations. The unit requires you to be supervised in the work.

Elements contained within this unit are:

Element 17.1 Contribute to the planning of an audit assignment

Element 17.2 Contribute to the conduct of an audit assignment

Element 17.3 Prepare related draft reports

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment

A general understanding of the legal duties of auditors: the content of reports; the definition of proper records (Elements 17.1, 17.2 & 17.3)

A general understanding of the liability of auditors under contract and negligence including liability to third parties (Elements 17.1, 17.2 & 17.3)

Relevant legislation and auditing standards (Elements 17.1, 17.2 & 17.3)

Auditing Techniques

Types of audit: relationship between internal and external audit (Elements 17.1, 17.2 & 17.3)

Recording and evaluating systems: conventional symbols; flowcharts; Internal Control Questionnaires (ICQs); checklists (Elements 17.1 & 17.2)

Verification techniques: physical examination; reperformance; third party confirmation; vouching; documentary evidence; identification of unusual items (Elements 17.1 & 17.2)

Basic sampling techniques in auditing: confidence levels; selection techniques (random numbers, interval sampling, stratified sampling) (Elements 17.1 & 17.2)

The use of audit files and working papers (Elements 17.1, 17.2 & 17.3)

Auditing techniques in an IT environment (Elements 17.1 & 17.2)

Types of tests: tests of control; substantive (Elements 17.1 & 17.2)

Management letters which include systems weaknesses, clerical/accounting mistakes, disagreement re. accounting policies or treatment (Element 17.3)

Auditing Principles and Theory

Principles of control: separation of functions; need for authorisation; recording custody; vouching; verification (Elements 17.1, 17.2 & 17.3)

Materiality (Elements 17.1, 17.2 & 17.3)

Audit risk (Elements 17.1 & 17.2)

Unit 17 Implementing Audit Procedures

Knowledge and Understanding, continued

The Organisation

Understanding that the accounting systems of an organisation are affected by its organisational structure, its administrative systems and procedures and the nature of its business transactions (Elements 17.1, 17.2 & 17.3)

An understanding of the organisation's systems and knowledge of specific auditing procedures (Elements 17.1, 17.2 & 17.3)

Unit 17 Implementing Audit Procedures

Element 17.1 Contribute to the planning of an audit assignment

Performance Criteria

In order to perform this element successfully you need to:

Ascertain **accounting systems** under review and record them clearly on appropriate working papers
Identify control objectives correctly
Assess risks accurately
Record significant weaknesses in control correctly
Identify account balances to be verified and the associated risks
Select an appropriate sample
Select or devise appropriate **tests** in accordance with the organisation's procedures
Follow confidentiality and security procedures
Formulate the proposed audit plan clearly and in consultation with appropriate personnel
Submit the proposed audit plan to the appropriate person for approval

---

Range Statement

Performance in this element relates to the following contexts:

Accounting systems relating to:
Purchases
Sales
Stock
Expenses
Balance sheet items
Payroll

Accounting systems that are:
Manual
Computerised

Tests:
Tests of control
Substantive

Unit 17 Implementing Audit Procedures

Element 17.2 Contribute to the conduct of an audit assignment

Performance Criteria

In order to perform this element successfully you need to:

A. Conduct **tests** correctly and as specified in the audit plan, record test results properly and draw valid conclusions from them
B. Establish the existence, completeness, ownership, valuation and description of assets and liabilities and gather appropriate evidence to support these findings
C. Identify all matters of an unusual nature and refer them promptly to the audit supervisor
D. Identify and record material and significant errors, deficiencies or other variations from standard and report them to the audit supervisor
E. Examine the IT environment and assess it for security
F. Conduct discussions with staff operating the system to be audited in a manner which promotes professional relationships between auditing and operational staff
G. Follow confidentiality and security procedures

Range Statement

Performance in this element relates to the following contexts:

Tests:
Tests of control
Substantive

Unit 17 Implementing Audit Procedures

Element 17.3 Prepare related draft reports

Performance Criteria

In order to perform this element successfully you need to:

A. Prepare clear and concise **draft reports** relating to the audit assignment and submit them for review and approval in line with organisational procedures
B. Draw valid conclusions and provide evidence to support them
C. Make constructive and practicable recommendations
D. Discuss and agree your preliminary conclusions and recommendations with the audit supervisor
E. Follow confidentiality and security procedures

Range Statement

Performance in this element relates to the following contexts:

Draft reports relating to:
A manual system

Unit 18 Preparing Business Taxation Computations

Unit Commentary

This unit is about preparing tax computations for businesses and completing the relevant tax returns. There are four elements.

The first element requires you to prepare capital allowances computations, including adjustments for private use by the owners of a business.

In the second element you must prepare assessable business income computations for partnerships and self-employed individuals. This includes identifying the National Insurance Contributions payable.

The third element is concerned with preparing capital gains computations for companies and unincorporated businesses.

The final element requires you to prepare Corporation Tax computations for UK resident companies.

Throughout the unit you must show that you take account of current tax law and Inland Revenue practice and make submissions within statutory timescales. You also need to show that you consult with the Inland Revenue in an open and constructive manner, give timely and constructive advice to business clients and maintain client confidentiality.

Elements contained within this unit are:

Element 18.1 Prepare capital allowances computations

Element 18.2 Compute assessable business income

Element 18.3 Prepare capital gains computations

Element 18.4 Prepare Corporation Tax computations

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment
The duties and responsibilities of the tax practitioner (Elements 18.1, 18.2, 18.3 & 18.4)
The issues of taxation liability (Elements 18.1, 18.2, 18.3 & 18.4)
Relevant legislation and guidance from the Inland Revenue (Elements 18.1, 18.2, 18.3 & 18.4)

Unit 18 Preparing Business Taxation Computations

Knowledge and Understanding, continued

Taxation Principles and Theory

Basic law and practice relating to all issues covered in the range and referred to in the performance criteria (Elements 18.1, 18.2, 18.3 & 18.4)

Availability and types of capital allowance:
- first year allowance
- writing down allowance
- balancing allowance and charge (relevant to industrial buildings and plant and machinery including computers, motor vehicles and short life assets) (Element 18.1)

Treatment of capital allowances for unincorporated businesses including private use adjustments (Element 18.1)

Adjustment of trading profits and losses for tax purposes (Element 18.2)

Regulations relating to disallowed expenditure such as business entertaining, bad debt write-offs and provisions, private expenditure and capital expenditure (Element 18.2)

Basis of assessment of unincorporated businesses (Element 18.2)

Basic allocation of income between partners (Element 18.3)

Identification of business assets disposed of including part disposals (Element 18.3)

Calculation of gains and losses on disposals of business assets including indexation allowance (Element 18.3)

Capital gains exemptions and reliefs on business assets including rollover relief and taper relief but excluding retirement relief ((Element 18.3)

Rates of tax payable on gains on business assets disposed of by individuals (Element 18.3)

The computation of profit for Corporation Tax purposes including income, capital gains and charges (Element 18.4)

Calculation of Corporation Tax payable by starting, small, large and marginal companies including those with associated companies (Element 18.4)

Set-off of trading losses incurred by companies (Element 18.4)

Calculation of National Insurance Contributions payable by self-employed persons and employers of not contracted-out employees (Element 18.2 & 18.4)

Self assessment including payment of tax and filing of returns for unincorporated businesses and companies (Element 18.2 & 18.4)

The Organisation

How the taxation liabilities of an organisation are affected by its legal structure and the nature of its business transactions (Elements 18.1, 18.2, 18.3 & 18.4)

The organisation's legal structure and its business transactions (Elements 18.1, 18.2, 18.3 & 18.4)

Unit 18 Preparing Business Taxation Computations

Element 18.1 Prepare capital allowances computations

Performance Criteria

In order to perform this element successfully you need to:

Classify expenditure on capital assets in accordance with the statutory distinction between capital and revenue expenditure
Ensure that entries and calculations relating to the computation of capital allowances for a company are correct
Make adjustments for private use by **business owners**
Ensure that computations and submissions are made in accordance with current tax law and take account of current Inland Revenue practice
Consult with Inland Revenue staff in an open and constructive manner
Give timely and constructive advice to clients on the maintenance of accounts and the recording of information relevant to tax returns
Maintain client confidentiality at all times

Range Statement

Performance in this element relates to the following contexts:

Business owners:
Self-employed individuals
Partnerships

Unit 18 Preparing Business Taxation Computations

Element 18.2 Compute assessable business income

Performance Criteria

In order to perform this element successfully you need to:

Adjust trading profits and losses for tax purposes
Make adjustments for private use by business owners
Divide profits and losses of partnerships amongst partners
Apply the basis of assessment for unincorporated businesses in the opening and closing years
Identify the due dates of payment of Income Tax by unincorporated businesses, including payments on account
Identify the National Insurance Contributions payable by self-employed individuals
Complete correctly the self-employed and partnership supplementary pages to the Tax Return for individuals, together with relevant claims and elections, and submit them within statutory time limits
Consult with Inland Revenue staff in an open and constructive manner
Give timely and constructive advice to **clients** on the maintenance of accounts and the recording of information relevant to tax returns
Maintain client confidentiality at all times

Range Statement

Performance in this element relates to the following contexts:

Clients:
Sole traders
Partnerships

Unit 18 Preparing Business Taxation Computations

Element 18.3 Prepare capital gains computations

Performance Criteria

In order to perform this element successfully you need to:

Identify and value correctly any **chargeable assets** that have been disposed of
Identify shares disposed of by companies
Calculate chargeable gains and allowable losses
Apply **reliefs**, deferrals and exemptions correctly
Ensure that computations and submissions are made in accordance with current tax law and take account of current Inland Revenue practice
Consult with Inland Revenue staff in an open and constructive manner
Give timely and constructive advice to clients on the maintenance of accounts and the recording of information relevant to tax returns
Maintain client confidentiality at all times

Range Statement

Performance in this element relates to the following contexts:

Chargeable assets that have been:
Sold
Gifted
Lost
Destroyed

Reliefs:
Rollover relief
Relief for gifts

Unit 18 Preparing Business Taxation Computations

Element 18.4 Prepare Corporation Tax computations

Performance Criteria

In order to perform this element successfully you need to:

A. Enter adjusted trading profits and losses, capital allowances, investment income and capital gains in the Corporation Tax computation
B. Set-off and deduct **loss reliefs** and charges correctly
C. Calculate Corporation Tax due, taking account of marginal relief
D. Identify and set-off Income Tax deductions and credits
E. Identify the National Insurance Contributions payable by employers
F. Identify the amount of Corporation Tax payable and the due dates of payment, including payments on account
G. Complete Corporation Tax returns correctly and submit them, together with relevant claims and elections, within statutory time limits
H. Consult with Inland Revenue staff in an open and constructive manner
I. Give timely and constructive advice to clients on the maintenance of accounts and the recording of information relevant to tax returns
J. Maintain client confidentiality at all times

Range Statement

Performance in this element relates to the following contexts:

Loss reliefs relating to:
Trade losses
Non-trade losses

Unit 19 Preparing Personal Taxation Computations

Unit Commentary

This unit is about preparing tax computations and returns for individuals. It is concerned with the Income Tax and Capital Gains tax liability of employed individuals, and also of self-employed individuals excluding any calculation of their business income. There are four elements in this unit.

The first element requires you to calculate income from employment, including benefits in kind.

In the second element you must calculate property and investment income and show that you apply deductions and reliefs and claim loss set-offs.

The third element is concerned with preparing Income Tax computations, based on your calculations of the client's earned and unearned income.

The final element requires you to prepare Capital Gains Tax computations. As well as calculating chargeable gains and losses, you need to show that you apply reliefs and exemptions correctly.

Throughout the unit you must show that you take account of current tax law and Inland Revenue practice and make submissions within statutory timescales. You also need to show that you consult with the Inland Revenue in an open and constructive manner, give timely and constructive advice to clients and maintain client confidentiality.

Elements contained within this unit are:

Element 19.1 Calculate income from employment

Element 19.2 Calculate property and investment income

Element 19.3 Prepare Income Tax computations

Element 19.4 Prepare Capital Gains Tax computations

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment

The duties and responsibilities of the tax practitioner (Elements 19.1, 19.2, 19.3 & 19.4)
The issues of taxation liability (Elements 19.1, 19.2, 19.3 & 19.4)
Relevant legislation and guidance from the Inland Revenue (Elements 19.1, 19.2, 19.3 & 19.4)

Unit 19 Preparing Personal Taxation Computations

Knowledge and Understanding, continued

Taxation Principles and Theory

Basic law and practice relating to all issues covered in the range and referred to in the performance criteria (Elements 19.1, 19.2, 19.3 & 19.4)

Calculation of assessable employment income including benefits in kind (Element 19.1)

Expenses deductible from Schedule E income including pension contributions and payroll giving to charities (Element 19.1)

Classification and calculation of income as property income, savings or dividend income (Element 19.2)

Identification of the main tax exempt investments (Element 19.2)

Calculation and set-off of rental deficits (Element 19.2)

Computation of taxable income taking account of gift aid payments and personal allowances for taxpayers aged under 65 (Element 19.3)

Calculation of tax on general, savings and dividend income (Element 19.3)

Identification of non-business assets disposed of including part disposals and personal shareholdings (Element 19.4)

Calculation of gains and losses on disposals of non-business assets including indexation allowance (Element 19.4)

Set-off of capital losses, taper relief and annual exemption to arrive at taxable gains (Element 19.4)

Calculation of capital gains tax payable on gains on non-business assets disposed of by individuals (Element 19.4)

Self assessment including payment of tax and filing of returns by individuals (Elements 19.3 & 19.4)

The Client

How the taxation liabilities of individuals are affected by their employment status (Elements 19.1, 19.2, 19.3 & 19.4)

An understanding of the individual's employment status (Elements 19.1, 19.2, 19.3 & 19.4)

Unit 19 Preparing Personal Taxation Computations

Element 19.1 Calculate income from employment

Performance Criteria

In order to perform this element successfully you need to:

Prepare accurate computations of **emoluments**, including **benefits in kind**
List **allowable expenses** and deductions
Record relevant details of income from employment accurately and legibly in the tax return
Make computations and submissions in accordance with current tax law and take account of current Inland Revenue practice
Consult with Inland Revenue staff in an open and constructive manner
Give timely and constructive advice to clients on the recording of information relevant to tax returns
Maintain client confidentiality at all times

Range Statement

Performance in this element relates to the following contexts:

Emoluments:
Received by UK-resident employees
Relating to work performed wholly or partly in the UK

Benefits in kind:
Lower paid employees
Higher paid employees

Allowable expenses:
Contributions to pension schemes
Contributions to charities under the payroll deduction scheme

Unit 19 Preparing Personal Taxation Computations

Element 19.2 Calculate property and investment income

Performance Criteria

In order to perform this element successfully you need to:

A. Prepare schedules of dividends and interest received on shares and securities
B. Prepare schedules of **property income** and determine profits and losses
C. Prepare schedules of investment income from **other sources**
D. Apply deductions and reliefs and claim loss set-offs
E. Record relevant details of property and investment income accurately and legibly in the tax return
F. Make computations and submissions in accordance with current tax law and take account of current Inland Revenue practice
G. Consult with Inland Revenue staff in an open and constructive manner
H. Give timely and constructive advice to clients on the recording of information relevant to tax returns
I. Maintain client confidentiality at all times

Range Statement

Performance in this element relates to the following contexts:

Property income taking into account:
Holiday lets
Wear and tear

Other sources of investment income:
Banks
Building societies
Government savings schemes

Unit 19 Preparing Personal Taxation Computations

Element 19.3 Prepare Income Tax computations

Performance Criteria

In order to perform this element successfully you need to:

A. List general income, savings income and dividend income and check for completeness
B. Calculate and deduct charges and personal allowances
C. Calculate Income Tax payable
D. Record income and payments legibly and accurately in the tax return
E. Make computations and submissions in accordance with current tax law and take account of current Inland Revenue practice
F. Consult with Inland Revenue staff in an open and constructive manner
G. Give timely and constructive advice to clients on the recording of information relevant to tax returns
H. Maintain client confidentiality at all times

Range Statement

Performance in this element relates to the following contexts:

There are no additional contextual requirements in this element.

Unit 19 Preparing Personal Taxation Computations

Element 19.4 Prepare Capital Gains Tax computations

Performance Criteria

In order to perform this element successfully you need to:

A. Identify and value **disposed-of chargeable personal assets**
B. Identify shares disposed of by individuals
C. Calculate chargeable gains and allowable losses
D. Apply reliefs and exemptions correctly
E. Calculate Capital Gains Tax payable
F. Record relevant details of gains and the Capital Gains Tax payable legibly and accurately in the tax return
G. Make computations and submissions in accordance with current tax law and take account of current Inland Revenue practice
H. Consult with Inland Revenue staff in an open and constructive manner
I. Give timely and constructive advice to clients on the recording of information relevant to tax returns
J. Maintain client confidentiality at all times

Range Statement

Performance in this element relates to the following contexts:

Chargeable personal assets that have been:
Sold
Gifted
Lost
Destroyed

Unit 21 Working With Computers

Unit Commentary

This unit is about your ability to use a computer system safely and effectively. For the first element, you will need to demonstrate that you are fully aware of your responsibilities when using a computer system and the software packages you will need. For the second element you will be required to show an understanding of the need to keep data confidential and secure.

Elements contained within this unit are:

Element 21.1 Use computer systems and software

Element 21.2 Maintain the security of data

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

General Information Technology

1. The importance of carrying out simple visual safety checks on hardware and correct powering up and shutting down procedures (Element 21.1)
2. The purpose of passwords (Element 21.2)
3. How to save, transfer and print documents (Element 21.1)
4. How to take back up copies (Element 21.1)
5. Causes of difficulties, necessary files which have been damaged or deleted, printer problems, hardware problems (Element 21.1)
6. Different types of risk, viruses, confidentiality (Element 21.2)
7. Relevant security and legal regulations, data protection legislation, copyright, VDU legislation, health and safety regulations, retention of documents (Element 21.2)

The Organisation

8. Location of hardware, software and back up copies (Elements 21.1 & 21.2)
9. Location of information sources (Element 21.1)
10. The organisation's procedures for changing passwords, and making back ups (Elements 21.1)
11. House style for presentation of documents (Element 21.1)
12. Organisational security policies (Elements 21.2)

Unit 21 Working With Computers

Element 21.1 Use computer systems and software

Performance Criteria

In order to perform this element successfully you need to:

A. Perform initial **visual safety checks** and power up the **computer system**
B. Use **passwords** to gain access to the **computer system** where limitations on access to data is required
C. Access, save and print data files and exit from relevant software
D. Use appropriate file names and save work
E. Back up work carried out on a computer system to suitable storage media at regular intervals
F. Close down the computer without damaging the **computer system**
G. Seek immediate assistance when **difficulties** occur

Range Statement

Performance in this element relates to the following contexts:

• **Visual safety checks:**
Hardware components
Plugs
Cables
Interfaces

Computer system:
Stand alone PC
Networked system

Passwords:
System
Software
•
Difficulties:
Hardware failure
Software failure
Corruption of data

Unit 21 Working With Computers

Element 21.2 Maintain the security of data

Performance Criteria

In order to perform this element successfully you need to:

A. Ensure passwords are kept secret and changed at **appropriate times**
B. Ensure computer hardware and program disks are kept securely located
C. Identify **potential risks** to data from different **sources** and take steps to resolve or minimise them
D. Maintain **security** and **confidentiality** of data at all times
E. Understand and implement relevant **legal regulations**

Range Statement

Performance in this element relates to the following contexts:

Appropriate times:
On a regular basis
If disclosure is suspected

Potential risks:
Corruption
Loss
Illegal copying

Sources:
Internal
External
Viruses
Poor storage facilities
Theft

Security:
Back up copies
Secure storage

Confidentiality:
Passwords

Legal regulations:
Data protection legislation
VDU regulations
Health and safety
Document retention

Unit 22 Contribute to the Maintenance of a Healthy, Safe and Productive Working Environment

Unit Commentary

THIS UNIT IS A TAILORED VERSION OF THE COUNCIL FOR ADMINISTRATION'S UNIT 302

This unit is about monitoring your working environment and making sure it meets requirements for health, safety, security and effective working conditions. **You must show that you can achieve this standard of health, safety and security in all areas of your work.**

Elements contained within this unit are:

Element 22.1 Monitor and maintain a safe, healthy and secure working environment

Element 22.2 Monitor and maintain an effective and efficient working environment

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Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

Health, safety and security at work

1. The importance of health, safety and security in your workplace (Element 22.1)
2. The basic requirements of the health and safety and other legislation and regulations that apply to your workplace (Element 22.1)
3. The person(s) responsible for health, safety and security in your workplace (Element 22.1)
4. The relevant up-to-date information on health, safety and security that applies to your workplace (Element 22.1)
5. The importance of being alert to health, safety and security hazards (Element 22.1)
6. The common health, safety and security hazards that affect people working in an administrative role and how to identify these (Element 22.1)
7. Hazards you can put right yourself and hazards you must report (Element 22.1)
8. The importance of warning others about hazards and how to do so until the hazard is dealt with (Element 22.1)
9. Your organisation's emergency procedures (Element 22.1)
10. How to follow your organisation's emergency procedures and your responsibilities in relation to these (Element 22.1)
11. How to recommend improvements to health and safety (Element 22.1)
12. Health and safety records you may have to complete and how to do so (Element 22.1)

Effectiveness and efficiency at work

13. How the conditions under which you work can affect your effectiveness and efficiency and the effectiveness and efficiency of those around you (Element 22.2)
14. How to organise your own work area so that you and others can work efficiently (Element 22.2)
15. Your organisation's requirements on how you organise your working area (Element 22.2)
16. The importance of organising your work area so that it makes a positive impression on other people and examples of how to do so (Element 22.2)
17. The importance of working in a way that shows respect for other people and examples of how to do this (Element 22.2)
18. Conditions you can put right yourself and conditions you would have to report (Element 22.2)

19. Manufacturer's instructions and your organisation's procedures for the equipment you use as part of your job (Element 22.2)

Unit 22 Contribute to the Maintenance of a Healthy, Safe and Productive Working Environment

Element 22.1 Monitor and maintain a safe, healthy and secure working environment

Performance Criteria

In order to perform this element successfully you need to:

A. Make sure you read, comply with and have up-to-date information on the health, safety and security requirements and procedures for your workplace
B. Make sure that the procedures are being followed and report any that are not to the relevant person
C. Identify and correct any hazards that you can deal with[1] safely, competently and within the limits of your authority
D. Promptly and accurately report any hazards that you are not allowed to deal with[2] to the relevant person and warn other people who may be affected
E. Follow your organisation's **emergency procedures** promptly, calmly and efficiently
F. Identify and recommend opportunities for improving health, safety and security to the responsible person
G. Complete any health and safety records legibly and accurately[3]

Range Statement

Performance in this unit relates to the following contexts:

Emergency procedures:
Illness
Accidents
Fires
Other reasons to evacuate the premises[4]
Breaches of security

Explanations or examples of terms used:
[1] For example, trailing cables, filing cabinet drawers left open or windows being left unsecured when the premises are left unattended
[2] For example, frayed cables, broken windows or a suspicious stranger on the premises
[3] For example, accident reports
[4] For example, bomb threats
(For guidance only, not part of the standards.)

Unit 22 Contribute to the Maintenance of a Healthy, Safe and Productive Working Environment

Element 22.2 Monitor and maintain an effective and efficient working environment

Performance Criteria

In order to perform this element successfully you need to:

A. Organise the work area you are responsible for, so that you and others can work efficiently[5]
B. Organise the work area you are responsible for, so that it meets your organisation's requirements[6] and presents a positive image of yourself and your team
C. Identify conditions around you that interfere with effective working[7]
D Put right any conditions that you can deal with[8] safely, competently, within the limits of your authority and with the agreement of other relevant people
E. Promptly and accurately report any other conditions[9] to the relevant person
F. Use and maintain equipment in accordance with manufacturer's instructions and your organisation's procedures

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Range Statement

There are no additional contextual requirements for this element.

Explanations or examples of terms used:

[5] For example, having your most used filing cabinet within easy reach of your desk
[6] For example, respecting your organisation's guidelines on displaying posters, pictures or photographs
[7] For example, bright sunlight, office temperatures too hot or too cold, or the layout of the office that may not support efficient working
[8] For example, adjusting the heating
[9] For example, reporting that the heating or air conditioning is not working
(For guidance only, not part of the standards.)

Unit 23 Achieving Personal Effectiveness

Unit Commentary

This unit is concerned with the personal and organisational aspects of your role. In the first element you need to show that you plan and organise your work effectively and also demonstrate that you prioritise your activities. The second element requires you to demonstrate that you work effectively with others by offering assistance, resolving difficulties, meeting deadlines, etc. In the final element in this unit you need to show that you develop yourself through learning and acquiring new skills and knowledge.

Elements contained within this unit are:

Element 23.1 Plan and organise your own work

Element 23.2 Maintain good working relationships

Element 23.3 Improve your own performance

Knowledge and Understanding

To perform this unit effectively you will need to know and understand:

The Business Environment
1. Relevant legislation

Copyright
Data protection
Equal opportunities

2. Sources of legal requirements

Data protection
Companies acts

3. Where to access information about new developments relating to your job role
4. Employee responsibilities in complying with the relevant legislation

Methods
5. Work methods and practices in your organisation
6. Handling confidential information
7. Establishing constructive relationships
8. Why it is important to integrate your work with other people's
9. Ways of identifying development needs
10. Setting self-development objectives
11. Development opportunities and their resource implications
12. Ways of assessing own performance and progress
13. Maintaining good working relationships, even when disagreeing with others
14. The scope and limit of your own authority for taking corrective actions
15. Use of different styles of approach in different circumstances

Unit 23 Achieving Personal Effectiveness

Knowledge and Understanding, continued

Methods, continued

16. Target setting, prioritising and organising work
17. Work planning and scheduling techniques and aids
18. Time management
19. Team working
20. Seeking and exchanging information, advice and support
21. Handling disagreements and conflicts
22. Showing commitment and motivation towards your work
23. Deadlines and timescales
24. Dealing with changed priorities and unforeseen situations
25. Informing and consulting with others about work methods
26. Negotiating the assistance of others
27. Co-ordinating resources and tasks

The Organisation

28. The organisational and department structure
29. Own work role and responsibilities
30. Colleagues' work roles and responsibilities
31. Reporting procedures
32. Procedures to deal with conflict and poor working relationships
33. Where to access information that will help you learn including formal training courses
34. The people who may help you plan and implement learning you may require

Unit 23 Achieving Personal Effectiveness

Element 23.1 Plan and organise your own work

Performance Criteria

In order to perform this element successfully you need to:

A. Identify and prioritise **tasks** according to organisational procedures and regulatory requirements
B. Recognise changes in priorities and adapt resources allocations and work plans accordingly
C. Use appropriate **planning aids** to plan and monitor work progress
D. Identify, negotiate and co-ordinate relevant assistance to meet specific demands and deadlines
E. Report anticipated difficulties in meeting deadlines to the **appropriate person**
F. Check that work methods and activities conform to legal and regulatory requirements and organisational procedures

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Range Statement

Performance in this unit relates to the following contexts:

Tasks:
Routine
Unexpected

Planning aids:
Diaries
Schedules
Action plans

Appropriate person:
Line manager
Project manager
Colleague(s) relying on the completion of your work

Unit 23 Achieving Personal Effectiveness

Element 23.2 Maintain good working relationships

Performance Criteria

In order to perform this element successfully you need to:

A. **Communicate** with other people clearly and effectively, using your organisation's procedures
B. Discuss and agree realistic objectives, resources, working methods and schedules and in a way that promotes good working relationships
C. Meet commitments to colleagues within agreed timescales
D. Offer **assistance and support** where colleagues cannot meet deadlines, within your own work constraints and other commitments
E. Find workable solutions for any conflicts and dissatisfaction which reduce personal and team effectiveness
F. Follow organisational procedures if there are **difficulties in working relationships** that are beyond your authority or ability to resolve, and promptly refer them to the appropriate person
G. Treat others courteously and work in a way that shows respect for other people
H. Ensure data protection requirements are followed strictly and also maintain confidentiality of information relating to colleagues.

Range Statement

Performance in this unit relates to the following contexts:

Communicate:
Face-to-face
By telephone
By fax
By e-mail
By creating word-processed documents

Other people:
Those familiar with the subject matter
Those not familiar with the subject matter

Assistance and support:
Personal
Practical

Difficulties in working relationships:
Personality
Working style
Status
Work demands

Unit 23 Achieving Personal Effectiveness

Element 23.3 Improve your own performance

Performance Criteria

In order to perform this element successfully you need to:

A. **Identify your own development needs** by taking into consideration your current work activities and also your own career goals
B. Define your own development objectives and, where necessary, agree them with the appropriate person
C. Research appropriate **ways of acquiring new skills and knowledge**
D. Ensure that development opportunities are realistic and achievable in terms of resources and support from relevant persons
E. **Review and evaluate your performance and progress** and also to agreed timescales
F. Monitor your own understanding of developments relating to your job role
G. Maintain and develop your own specialist **knowledge** relevant to your own working environment
H. Undertake learning that will help you improve your performance

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Range Statement

Performance in this unit relates to the following contexts:

Identify your own development needs:
Through training
Through discussions
Self-study of relevant materials

Performance and progress are reviewed and evaluated:
By self
In conjunction with others

Ways of acquiring skills and knowledge:
Courses
Internet
Journals/ trade publications
Books
Through colleagues
Observation